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INDEX TO VOLUME VII.

INSURANCE DEPARTMENT.

PAGE.

Valedictory.....	3
Fire Marshal's Report.....	4
Wisconsin Fire and Life Report.....	7
The Government and the Insurance Offices.....	8
The Mission of the National Board.....	9
Fraudulent Claims.....	11
Has the Board any Power?.....	12
New and Old Towns in California.....	13
Of what should the Investments of Fire Insurance Companies consist?.....	14
Chicago and the Companies.....	15
An Interesting Lawsuit.....	15
Supervision.....	16
Chicago and the Underwriters.....	16
Oakland Fire Department.....	17
Withdrawal from Chicago.....	18
A New Corporation.....	19
Misstatements in Applications.....	20
Editorial Notes.....	20
National Insurance Convention.....	20
Protection against Fire Risks.....	34
Life Insurance in Illinois.....	35
Retaliatory Laws.....	75
The Massachusetts Life Report.....	78
President Hope's Circular.....	80
Medical Examinations in Life Ins.....	82
How Fires may Originate.....	83
Will the New Laws be Repealed?.....	84
Fighting Fire for Ten Years.....	85
Insurance Reform.....	86
Companies in and Out.....	87
People vs. Hymen Jacobs.....	87
Lawyers and Ins. Companies.....	88
Local Boards of Underwriters.....	88
Petroleum Ordinance.....	89
Obituary.....	91
Chief Engineer Hunt's Troubles.....	92
Editorial Notes.....	93
Chips.....	95
Board Companies.....	100
Fire Insurance in Minnesota.....	101
Life.....	102
Life Insurance in Rhode Island.....	102
Life Insurance in Missouri.....	102
Fire Insurance in Rhode Island.....	103
Fire Insurance in Missouri.....	104
Supreme Court of the United States.....	147
Foolish Legislation.....	153
The Notorious Hannah Lee Case.....	154
Six Years' History.....	155
A Life Insurance Company in Sonoma County.....	158
Obituary.....	159
Report Executive Committee National Board.....	159
Washington Life and Foad.....	161
Life Insurance Practically Considered.....	164
Plodders and Plodding.....	166
Fire Insurance in Panama.....	168
People's Insurance Company of Philadelphia.....	169
Companies Authorized to do Business in Cal.....	170
Co-operative Life Insurance.....	170
The Ashbury Life Insurance Company.....	171
Chips.....	173
General Shaler and Chicago.....	211
The Theory of Combustion.....	214
Values in Life Insurance.....	216
Cornelius Walford as a Poet.....	221
The N. O. Underwriters' Agency.....	223
Trying to Insure a King.....	224
Rights of Californians.....	225
Tobacco and Life Insurance.....	227
Fire Marshal's Report.....	228
Grangers' Insurance Company.....	229
Care Needed in Appointment of Agents.....	230
Firemen's Fund Insurance Company.....	230
Minor Editorials.....	231
Chips.....	235
Proposed New Building Law in Illinois.....	275
Medical Supervision.....	283
Local Boards.....	290
Don't Kill the Goose.....	292
Mutual Life Insurance Co. of N. Y.....	292
National Life Insurance Co.....	293

Will Whackem—Who is he?.....	294
Virginia City Correspondence.....	295
Tabular Statement.....	296
Letter from St. Louis.....	298
Home Mutual Insurance Company.....	299
A Disaffected Agent.....	299
Fire Ins. in California in 1874.....	300
State Investment and Ins. Company.....	300
Pacific Mutual Life Ins. Co.....	301
Union Mutual Life Ins. Co.....	301
Union Insurance Co.....	302
Chips.....	302
New Form of Application.....	306
Cowardly.....	307
Fire Marshal's Report.....	308
The Crocker-Springer Case.....	339
New York Rates.....	343
Palace Hotel, San Francisco.....	345
State Deposit Laws.....	348
Fire Insurance in Maryland.....	350
Sacramento Record and Life Companies.....	351
New York Insurance Report.....	353
Portland Correspondence.....	358
Hartford Water Works and Ins. Companies.....	359
Hints to Agents.....	360
The New York Local Board.....	361
Commissioner Ward's Report.....	362
President Crocker.....	363
Underwriters' Fire Patrol.....	364
Fire Marshal's Report.....	365
State Legislation and Insurance.....	365
Life Chart.....	366
New York World on the Local Board.....	366
Piedmont and Arlington.....	367
St. Louis Life Ins. Co.....	367
John Hancock Life.....	368
Fire Insurance in Michigan.....	368
Chips.....	369 to 374

MINING AND METALLURGY.

PAGE.

The old Soggy Mine.....	36
The Ruby Mine Fraud.....	37
Booming.....	39
Is Mining a Legitimate Business.....	40
The Physics of Metallurgy.....	41
Engineering Years Ago.....	44
Mining near Placerville.....	45
Quicksilver.....	45
A Rich Strike.....	46
Mining Notes.....	47
Coal and Iron in Tennessee.....	105
The Raymond & Ely Works.....	107
Booming.....	109
Quicksilver Furnace.....	111
On the value of Colorado Coal in Metallurgy.....	113
Mines, Mills and Mining.....	115
Pine Mountain.....	116
Mine Swindler's Confession.....	110
Mining Notes.....	117
Extracts from a Report on Panamint District.....	177
The Bright Star and Big Blue.....	181
American Mining.....	183
Low Grade Ores.....	185
Hydraulic Mining.....	186
Profits of Drift Mining.....	187
Discovery of Rich Gold Quartz.....	189
Mining Enterprise.....	241
Some Points on Amalgamation.....	244
The S. F. Call and Bulletin.....	246
Pioneers of Civilization.....	247
Panamint.....	247
Work on Mining Claims.....	249
Mining Stocks.....	310
Mining Interests of 1874.....	310
Total Gold and Silver Production.....	313
Man and Machinery.....	317
Important Silver Lodes.....	318
Items.....	319
The New Mexico and Arizona Copper Mines.....	375
Sulphurets.....	377
Bank Depositors and their Risks.....	378
Editorial Notes.....	381
Mining Notes.....	383

INDEX TO VOLUME VI.

INSURANCE DEPARTMENT.	PAGE.	
New York Insurance Report.....	5	Another Conflagration.....333
The Life Business of 1873.....	7	Did the Life Companies do their Duty?.....334
New Insurance Laws.....	8	News Summary.....335
Obituary.....	10	Editorial Notes.....337
Extra Insurance Reserve.....	11	Chips.....342
Chamber of Life Insurance.....	12	Letter from Sec. Lewis.....346
National Republic Life.....	13	Losses at Chicago.....347
The Fire Department Muddle.....	14	Fire Insurance in the States.....350
Insurance News, etc.....	15 to 20	Commissioner Row on Amalgamation.....413
Chips.....	21	A Remedy for Fire Insurance Abuses.....415
Personals.....	31	The Chronicle on Foard's Report.....417
Reform in Fire Insurance.....	85	Mr. Lewis' Letter and our Exchanges.....419
Amendments to the Insurance Laws.....	86	Com. Foard's Literature.....421
Still they come.....	88	Are our Property-holders Safe?.....423
Insurance Supervision.....	89	Importance of Life Insurance.....424
New York Life Report.....	90	California Law and the Chamber.....425
Fire Insurance in Panama.....	91	Policy-holders vs. Companies.....426
A California Invention.....	92	Portland Fire Department.....428
The Aetna Life Insurance Co.....	93	Foolish Advertisements.....430
Hutchinson, Mann & Smith's Agency.....	93	Chicago Board of Underwriters.....431
Termination of Life Policies.....	94	News Summary.....432
Obituary and Fire Ins. in Maryland.....	95	Editorial Notes.....433
News Summary.....	96	Eastern Fire Insurance Losses.....440
Editorial Notes.....	103	
Chips.....	107	
London Assurance Corporation.....	165	
Trust Savings Deposits.....	166	
Oakland Fire Insurance Co.....	167	
Annual Meeting of the National Board.....	168	
The Manhattan Life Insurance Co.....	170	
Does Life Insurance Pay?.....	171	
The Experience of 1873.....	173	
The Amalgamation Question.....	174	
Medical Examinations.....	175	
The Southern Life Insurance Companies.....	176	
Fire Insurance in Kansas.....	177	
Fire Insurance in Iowa.....	178	
News Summary.....	179	
Editorial Notes.....	182	
Chips.....	197	
Personal.....	192	
Mr. Hewitt's Address.....	243	
Our New Insurance Laws.....	246	
Circular from the Chamber of Life Insurance.....	248	
Massachusetts Fire Report.....	250	
Insurance Journalism.....	251	
What are the Duties of our Fire Ins. Comm's.....	253	
Board of Fire Underwriters.....	254	
Life Insurance in the States.....	255	
Fire Insurance in Kentucky.....	256	
Senator Tuttle on the New Laws.....	257	
The California Insurance Company.....	258	
News Summary.....	259	
Editorial Notes.....	261	
Chips.....	268	
Personals.....	272	
Important Life Ins. Decision.....	321	
The Pennsylvania Report.....	324	
New York Fire Patrol.....	326	
The Danger of Fire.....	328	
Who are Responsible for the New Laws.....	329	
Are Brains a necessary Qualification.....	331	
Obituary.....	332	
		MINING AND METALLURGY. PAGE.
		Formation of Veins.....33
		Iron and Coal in Virginia.....36
		Amalgamation of Ores.....38
		Gold—Its product and export.....40
		Letter from Prof. Silliman.....41
		California Gold Mines.....42
		Mining at Grass Valley.....43
		Mining Notes.....44 to 50
		Formation and Characteristic of Veins.....113
		Arizona Territory.....116
		Fissure Veins.....118
		Mines of the Pacific Coast.....120
		The Silver Mines of Mexico.....121
		Mining Investments.....123
		Amalgamation of Ores.....124
		Mining in Sierra County, Cal.....125
		Editorial Notes.....126
		Mining Notes.....127
		Fissure Veins.....193
		Coal on the Pacific Coast.....196
		Ore Concentration.....198
		The Ballion Product of Utah.....200
		Wallapai District, A. T.....201
		Com. Raymond's Report.....203
		Editorial Notes.....204
		Mining Notes.....206
		Gold Mining in Australia.....273
		Bullion Yield of the Pacific Coast.....275
		Mining Prospects in Montana.....276
		Refining Lead.....277
		Colorado Mines.....278
		Wallapai District, Arizona.....279
		Mining in Sierra County.....280
		Editorial Notes.....281
		Mining Notes.....285
		Some Records of the Early Days.....354
		Etching Iron.....356
		The Origin of Metalliferous Deposits.....357
		A Word to Miners.....358
		The Crown Point Mine.....359
		Sweetland Creek Gold Mines.....359
		Utilizing Coal Waste.....361
		Editorial Notes.....362
		Mining Notes.....365

COAST REVIEW.

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NO 1.

INSURANCE.

Valedictory.

With this issue our connection with the COAST REVIEW as editor and proprietor, ceases. Three years ago last month we issued the first number as an experiment, and having met with sufficient encouragement to warrant a continuation of the publication, we carried the enterprise forward, gradually enlarging it until it reached its present size, and extending its circulation and influence, and increasing its popularity until it now stands in the front rank of insurance journalism. We have labored earnestly to make it what it is, and our labor has been well rewarded. In tone, character and influence, we flatter ourselves that it stands second to none, and this point has only been reached by the straight-forward, independent and honest course which we have pursued in its editorial management, backed up as we have been by the energetic and legitimate business management of our associate owner, Mr. Edwards. Having reached this proud position and secured a patronage which makes it profitable, it may be pronounced a great success, and in turning it over to

Mr. Edwards, to whom we have sold our entire interest in it, we do so with pride, feeling confident that its future will be as bright as its past, and that its reputation for honesty and ability will be preserved.

We cannot part company from it, however, without first thanking the many friends who have stood by us so manfully and aided us with their means and their counsel in building it up. Some of them will long be remembered by us with feelings of gratitude and respect, while none will soon be forgotten. And to the editors of our exchanges, both local and Eastern, we have to express our warmest thanks for the many courtesies they have shown us, and the many kindly notices we have received at their hands. Our relations with them have been of the most cordial nature, and in parting company with them we do so with the kindest feelings toward all.

In conclusion we ask from our patrons a continuation of their patronage and support to the COAST REVIEW under its new management, and such additional encouragement as they can give.

Respectfully,

J. G. RILEY.

Fire Marshal's Report.

Fire Marshal John L. Durkee has subjected himself to the envy of every insurance superintendent past, present, or future, and we are not sure that he will not be imitated to the extent of a hundred extra pages of tables added to the ponderous insurance reports. Ninety-four pages of tabular matter is pretty good for a fire marshal, and if our worthy Marshal is ambitious there is much hope of his advancement.

However, these tables are, in the main, instructive or entertaining, which will not probably be said of his compilations if he ever comes to exercise his talent in the great field of insurance superintendency. This is what the tables teach us: "Exhibit A—Causes of fires and alarms," we give in full:

Attempts.....	12
Acids.....	1
Ashes.....	19
Bonfires.....	4
Carelessness with Candle.....	14
" " Cigars.....	1
" " Fire.....	10
" " Matches.....	10
Children with Candle.....	2
" Matches.....	12
Chimneys.....	31
Defective Chimneys.....	23
" Flues.....	2
" Forge.....	2
" Furnace.....	3
" Grates.....	3
" Ovens.....	4
" Ranges.....	3
" Still.....	1
" Stoves.....	6
" Pipes.....	17
Drunkenness.....	1
Explosions of Coal Oil Lamp.....	12
" Gasoline Stove.....	1
False.....	36
Fireworks.....	5
Friction.....	1
Gas Lights.....	10
Incendiary.....	16
Rats with Matches.....	1
Second Alarms.....	1
Sparks from Chimneys.....	4
" Smoke Stacks.....	7
" Stove Pipes.....	2
Spontaneous Combustion.....	3
Supposed Ashes.....	2
" Carelessness with Ashes.....	2
" Defective Stove.....	1
Upsetting of Coal Oil Lamps.....	7

Unknown.....	17
Total.....	309

"Exhibit B—Alleged loss, insurance and amount paid," shows that about thirty-three thousand dollars were paid by the companies for defective chimnies; the next in magnitude (\$22,343) was paid for "carelessness with candles," though for unknown causes there were ninety thousand dollars paid.

"Exhibit C—Monthly losses, insurance and amounts paid," shows November to have been the most disastrous month, with \$78,363 loss, and \$59,878 paid by the companies. April next, with a loss of \$64,534 loss, and \$39,794 paid.

"Exhibit D—Monthly losses insured and not insured," shows a total of \$224,689 of losses paid, and \$98,537 loss where there was no insurance.

"Exhibit E"—Shows \$81,954 paid in losses on buildings, and \$142,736 on stock, furniture, etc.

"Exhibit F"—Is a monthly table of fires and alarms.

"Exhibit G—Number and style of buildings burned," shows a total of 216 buildings; one hundred and eighty-one frame and thirty-five brick buildings. One hundred and twenty-one were two-story frame buildings.

"Exhibit H"—Shows the proportion of damage.

"Exhibit I"—Gives the number of buildings burned at some of the large fires. The greatest was on the 27th of September (1873) corner Fifth and Market Streets, when six buildings were burned.

"Exhibit J"—Gives losses at different fires, the largest being the fire in Bancroft's Building, November 25th; loss, \$66,175.

The number of incendiary fires was sixteen, five of them in unoccupied houses, and five uninsured.

Of the whole number of buildings burned seventy-three were dwellings and nine boarding houses. Wash-houses and stables, eight each.

The proportion of buildings burned in the city was one to every one hundred.

Then we have a full, detailed statement

of every fire during the year, including date, time, occupation, ownership, cause, loss, insurance, etc. This occupies thirty pages, and is very interesting.

The arrests, trials and results of incendiaries are given, also deaths by fire.

We frankly confess that we became bewildered when about half through the tables, and gave up trying to distinguish one from the other. Suffice to say, the Fire Marshal has given us the facts in every conceivable shape. And every man is advised not to get any information he is seeking, in an indirect way from some table gotten up for another purpose, but to look for the table that was made for him; it is there.

The Fire Marshal pays his respects to coal oil, and quotes the excellent article from the 8th of January issue of the *Baltimore Underwriter*.

The following thoughts on the subject of incendiaries cannot be read too often:

"It is a source of congratulation to see the decided decrease in the number of incendiary fires the past year, which, I think, can in part be accounted for by the action of our companies in delaying payment of suspicious fires until an opportunity is afforded to investigate their origin. There is no question that in the event of an incendiary or very suspicious fire, that class of persons who contemplate such things, watch each case with anxious care, and when they see a resistance to their claims, and a deferred payment and a prospect of a suit at law, argue to themselves that things are not quite so pleasant and smooth as in the halcyon days of the Old Builders. There is no question that a very great proportion of the incendiary fires are set for the purpose of getting rid of an old stock of goods and starting afresh. Or when a person finds himself going behind in business, and a failure staring him in the face, then comes the argument, 'I am well insured, it is hard to convict for arson, and the best thing I can possibly do is to sell out to the insurance companies, pay my liabilities, and have sufficient left to start with fresh goods.' It should never be forgotten

by the underwriters, that to the dishonest man, insurance is but another name for the privilege of converting his goods into current funds at will. It often means escape from bankruptcy, or the successful concealment of fraud, which, detected, would result in certain ruin. The advance of rates acts also as a check to this class of persons, for as a general thing they do not insure to the full amount as formerly, thereby taking some of the risk themselves.

Over-insurance is the key-note to eight out of ten incendiary and suspicious fires. It is merely a notice to the insured, that if his property is consumed, he alone, of all others, that his negligence or crime afflicts, shall go unscathed. It is a premium for recklessness and dishonesty, for every policy of insurance issued is a contingent agreement to buy the property insured. A petition has been circulated among the business men in the City of New York, asking the legislature to enact such a law as shall prevent the recovery, under any policy of insurance, of a sum greater than three-fourths of the loss or damage sustained in any case, and shall compel insurance companies to limit their liability under each policy to that per centage of the actual loss sustained. An excellent law, that would be, without doubt. Over-insurance in many cases would be done away with, if each company would make it an inviolable rule not to accept a risk from any person, without having the same examined personally by a competent surveyor, the said surveyor from time to time to make a personal inspection of the property insured, while the policy is in effect."

If all the newspapers would publish the following hints, and parents would give them to their children in easy lessons, in a few generations we might "develop" into salamanders:

"GENERAL HINTS IN CASE OF AND PROTECTION AGAINST FIRE.

1st. Be well acquainted with the best means of escape from your house, both at the top and the bottom.

2d. Do not get confused, admit no one to your house except firemen, policemen, or neighbors.

3d. If a lady's or child's dress takes fire, endeavor to roll the person up in a rug, carpet, or any other piece of woolen stuff.

4th. Keep all the doors and windows closed until the firemen arrive.

5th. Always keep in your bedroom a piece of rope sufficiently long to reach the sidewalk, in case you cannot make your exit by the stairway.

6th. If you cannot make your way from a building by the stairway, endeavor to get in a front room, and be careful to keep all the doors shut behind you, for smoke will follow a draft, and flames the smoke. If smoke enters the room and it is difficult to stand erect, get your mouth as close to the floor as possible, and breathe easy, as there is always a fresh current of air near the floor. A wet cloth over the mouth will greatly aid breathing.

7th. In getting smoke from a room always open the upper portion of the window.

8th. In case of a fire in a theatre, or any place where numbers of persons are, keep perfectly cool, and do all you can to prevent a panic, as there is generally plenty of time to escape if there is no panic.

9th. Do not go into a building where there is a thick smoke, if you can help it, without a saturated sponge in your mouth, or a wet cloth or handkerchief over mouth and nose.

10th. In ascending or descending a ladder, do so with a regular step, to prevent vibration.

11th. Have metal or earthen vessels for matches, and keep them out of the reach of children. Wax matches are not safe.

12th. Never leave small children in a room alone where there are matches or an open fire.

13th. Do not deposit ashes in a wooden vessel or upon a wooden floor.

14th. Never use a light in examining a gas meter.

15th. Never take a light into a closet.

16th. Never smoke, or read in bed by candle or lamp light.

17th. Never put kindling wood on the top of a stove to dry.

18th. Never leave clothes near a grate or fire-place to dry.

19th. Be careful in making fires with shavings, and never use any kind of oil to kindle a fire.

20th. Keep all lights as far from the curtains as possible.

21st. Never pour out liquor near an open light.

22d. Always fill and trim your lamps by daylight, and never near a fire.

23d. Never blow out a fluid lamp.

24th. Never allow fluids used for lamps to be kept in a room where a light or fire is used.

26th. Always try your coal oil by pouring a little of it in a saucer or cup, and if you can make it burn with a match or a piece of paper do not use it.

26th. Put wire network over your gas lights in show windows, and keep your goods from them.

27th. Benzine, naptha, gasoline, camphene, varnish, turpentine, ethereal oil, etc., should never be drawn by candle or lamp light, or in a room where there is a fire.

28th. Sand, in place of saw dust, should be used on the floors of oil stores, drug stores, etc.

29th. Always use a closed lantern, and never allow smoking in hay barns, stables, warehouses, or in stores where goods are closely packed.

30th. Always keep shavings and fine kindling wood away from steam boilers and furnaces.

31st. Keep lofts, cupboards, corners, boxes, etc., free from greasy rags.

32d. Before leaving your place of business, see that all lights and fires are out.

33d. Before going to bed, see that all your lights and fires are out, and that no ashes have been placed in any wooden vessel.

34th. See that your stovepipes enter well in the chimney."

Altogether the Fire Marshal has given us an able and exhaustive report, and underwriters should duly appreciate the services

of one who takes so much interest in their welfare when brought within his department.

Wisconsin Fire and Life Report.

We have received through the courtesy of the Hon. Peter Doyle, Secretary of State, the fifth annual report of the insurance department of the State of Wisconsin.

The report is a very creditable one, and while the Hon. Secretary discusses some of the problems of the insurance business he confines himself to plain statements and makes no effort at rhetorical displays or manifests any particular desire to *educate* opinion upon any pet theory of his own, and altogether shows himself an intelligent, faithful official. We would commend this course to insurance officials irritatingly near us if we did not feel that it was sheer folly to offer grains of wisdom to such specimens of the *genus homo*.

One hundred and one Fire and Marine companies transacted business in the State during the year. Twelve being admitted during the year and eight of the previous year excluded. The following classification of the Fire and Marine insurance companies doing business in the State is given :

Wisconsin Stock Companies.....	3
Wisconsin Mutual Companies.....	7
Joint Stock Companies of other States.....	76
Mutual Companies of other States.....	4
Joint Stock Co's of Foreign Countries.....	11

There was \$47,991,112 of paid-up capital, and \$73,825,839 of net assets represented.

The risks written in the State during the year amounted to \$157,406,089 ; premiums received \$2,174,931 ; losses paid \$993,281.

The number of Life Companies transacting business in the State at the date of the report was thirty, a reduction of eight from the previous year.

The number of life policies issued in the State during the year was 5,583, insuring \$11,349,607.

The number of policies in force at the close of 1873, was \$26,694, insuring \$42,720,230. The total amount of premiums received was \$1,535,662 ; losses paid, \$430,332. We do not think anything better

could be said of a company than these two lines in regard to the Northwestern Mutual Life Insurance Company : "That it has thus far met the end and purpose of its organization seems unquestionable."

The following summary of the laws of the different States and foreign Governments will be of general interest :

"On the subject of taxation of Fire and Marine insurance companies a diversity of rules exists under the laws of the different states, both in regard to the methods and rates of taxation. In Arkansas, Delaware, Georgia, Iowa, Kentucky, Massachusetts, Michigan, Minnesota, New Hampshire, New Jersey, North Carolina, Pennsylvania, Rhode Island, Tennessee, Virginia, West Virginia, and Wisconsin, taxes ranging from one to three per cent. are required to be paid on gross premiums. In some of these states these rates apply only to companies of other states and to those of foreign countries, while in others they apply to all companies transacting business in such states. In some of these states there is also an additional tax required to be paid in cities having fire departments. In Alabama a tax of two per cent. on gross premiums, after deducting return premium, is required to be paid by the agent of each company in the county where the agency is located. In Illinois the net premiums received are subject to taxation the same as other personal property, and each agent is required to make a return annually to the proper officer of the amount of such premiums. In addition to this there is a tax of two per cent. on gross premiums in cities having organized fire departments. In Indiana there is a tax of three per cent., and in Maine two per cent. on premiums received, after deducting the losses paid. In Connecticut and Kansas foreign companies are required to pay a tax of two per cent. on gross premiums, taxes from all other companies being collected under reciprocal provisions. In Louisiana, there is a tax of one per cent., and also a license fee which is governed by the amount of premiums received. In Maryland there is a license fee of three hundred dollars, or a tax of one and one-half per cent. on gross premiums,

in case the latter amounts to more than said license fee. In New York, the agents of marine companies are required to pay annually into the state treasury two per cent. on all premiums received; the agents of fire companies who take risks in cities or incorporated villages pay two per cent. on premiums received for the use of the fire departments. In California and Vermont there is no tax except by reciprocal provisions. In Ohio and South Carolina the gross premiums received are taxed as personal property. In Nebraska, substantially the same provision exists. In Missouri the premiums received, less return premiums, are taxed as personal property. In Mississippi there is an annual license fee of one thousand dollars. In Florida there is no taxation, but there is a large license fee for each certificate issued to agents. In Oregon deposits are taxed the same as other property. In Texas each fire and marine company is required to pay an annual tax of two hundred and fifty dollars. In the District of Columbia there is a tax on gross premiums of one and a half per cent. In most of the states there are also reciprocal provisions, relating to the taxation of the companies of other states. There is in some cases also special provisions not herein referred to, as it has not been intended to give more than a brief outline of the general methods and rates of taxation adopted in the states named. The rates given are those existing in these states, as appears from the latest information that it has been practicable to obtain, and are believed to be in accordance with the present laws. And it may not be inappropriate to notice here briefly the rules adopted by other countries relative to insurance taxation. In Canada, insurance companies are not taxed. The cities of Montreal and Quebec require license fees for the support of the fire departments. In England, a stamp of a small amount is required to be affixed to each policy, but there is no direct taxation of the companies. In France and Germany, according to the best information that I have been able to obtain, substantially the same is the case. In most of the other principal countries of Europe, there is either no tax, or the tax imposed is very light.

The Government and the Assurance Offices.

State supervision has in the United States placed the life offices somewhat in the position of the ticket-of-leave men, who are constantly under surveillance, and compelled to report themselves periodically as being still of good conduct. It is founded on the basis of utter and absolute mistrust, and has for its object the perfect security of the policy-holders. Has it succeeded in its objects? We think not; and now we come to what State supervision will not do. It will not make rogues honest men, and no legislation ever yet framed prevented premeditated robbery. Undoubtedly legislation has great benefits within the scope of its operation, but it has not yet succeeded in placing American life offices on any particular level above our own concerns, that we should grasp at their theory, that if we adopt the principle of supervision we shall be materially benefitted.

Some years ago it used to be the boast of the American insurance Press that they had no failures of life companies, no frauds and no amalgamations, and, pointing to the laws of the country, they called upon us to admire and copy. We rather fancy that the same views are hardly to be found energetically supported now, after the experience of the last few years. Since 1869 there have been several smashes, pretty extensive frauds and some tolerably dishonest amalgamations in the States. Amalgamations are, perhaps, the result of the evil example set on this side, but human nature is very much the same in America as in Europe, and State supervision cannot alter this fact. Let any impartial critic look down a list of the shining assurance lights that have been extinguished in New York in the last five years. We are not forgetting the hosts of falling stars that have burst upon our eyes in this country only to be rapidly lost to sight again, but we only contend that State supervision of an irritating, inquisitive character, does not give absolute security. Moderate laws are enough to guide well-meaning men, and quietly

squeeze out dishonest ones, but it cannot be supposed that the inauguration of an insurance inquisition in this country will quietly be submitted to. * * *

The dangers into which the public are led by the assumed paternal care of the government are manifold and enormous. The effect of the so much lauded superintendence is that no precautions are taken by individuals, whether stock-holders or policy-holders, but when a company goes wrong there is a simultaneous shriek to the Insurance Jupiter to hang somebody. In all the United States there is not the same healthy feeling of independence shown as is manifested at any one of the meetings of British insurance companies. At these meetings the annual accounts are discussed and directors remorselessly held to account if anything exceptional appears therein. The auditors' duties are realities as far as any audit can be of use to our insurance companies, and the managers have not one-twentieth part the despotic power, seemingly possessed by American insurance presidents. In fact, the board of directors of an English office really do control the concern; and the shareholders in proprietary companies, and the policy-holders in mutual companies really do control the directors. We may here and there have had cases where directors have been indifferent and share-holders too confiding, but the broad lines of demarcation between the principles of American and British life assurance are so clearly defined that no approximation is possible to a legislative theory equally suiting both parties. Coersivè and paternal legislation, if applicable anywhere, should be adopted in the States, and there it has only succeeded in rendering shareholders and policy-holders utterly indifferent to the necessity for personal effort, and has simply produced a state of affairs wherein the persons vitally interested take no steps individually, but rely, blindly and implicitly, upon the vigilance of the government.

Whether it is desirable to introduce the system into this country has now to be considered. It is also to be considered whether steps should not be taken to lay the broad

issues raised clearly before the commercial world, in order that they may be forewarned as to the tendency of the new school of financial statesmen, and as to the probable results of their operations, if not checked promptly and decisively in the beginning of their enterprise.—*London Review*.

The Mission of the National Board of Fire Underwriters.

The petty jealousies which distract the Local Boards of Underwriters in some of the cities and towns in the United States, to some extent blind the members of those boards to the grand work being accomplished by the central organization of which they are component parts. We do not doubt that many of the agencies in this city, members of the Local Board, are kept posted by officers of their several companies, with the progressive nature of the work of the National Board, and that they are willing, and do give the benefit of this information to the Local Board councils. We *presume* this, we say, to be the fact, though we are not permitted to know it; but it is certain that much ignorance prevails, not only among property-owners, but in underwriting circles, concerning the grand mission of reform to which the National Board is addressing itself, as is evidenced in the reports from that body, and the comments of the public press.

While the primary object of that organization was the protection of the vast capital entrusted to the care of its members, by the enforcement of legitimate rules and adequate rates for the hazard assumed, to reach these ends it became necessary not only to bring their army of subordinates into sympathy with them, but to convince the property-owner that their interests were identical, and by creating a public opinion in their favor, cause the enforcement of certain improvements in the architecture of cities, the reformation of fire departments, and such other measures as, from time to time, events made necessary.

The suspension of the Local Boards, as such, took place about the spring of 1870, under the pressure of an insane competition

and the defection of some prominent members. The National Board did not relinquish its organization, but was without power to control its members in the matters of rates.

Those of our readers who were interested in the business of underwriting on this Coast during the years 1870 and 1871 will remember the ridiculously low figures at which insurance policies were peddled, and the immense liability assumed by the companies, without an equivalent necessary to enable them to meet this inevitable liability; and the officers of our local companies will doubtless recall vividly to mind the monthly depletion of assets and the growing inability to meet the demands of stockholders for dividends.

In the midst of this chaos of rates and rules the great fire of Chicago swept not only many strong companies out of existence, but so far depleted the treasuries of others as to make their vitality a question of extreme doubt. Under the impulse of this disaster, and even before the National Board could take official action (its active members being too busy counting their losses, or searching the wrecks of their companies for any slight salvage that might exist) the agents throughout the country, and especially the northwest, came together, so that when the movements for final reorganization commenced that body found a loyal element ready to respond to their call.

With active movements everywhere, boards forming and rates being adjusted, the special agents of the National Board advising and counseling the Local Boards, the Boston fire of the succeeding November found the National Board ready to take cognizance of the lessons pointed out by that great disaster.

Its membership embraces nearly every prominent American Company, and all the European companies represented in the United States, while the Local Boards tributary thereto number among their members a majority of the solvent local companies, whose names are not enrolled in the list of members directly contributing to the National Board.

This organization therefore virtually controls the entire insurance capital represented in the United States.

Addressing itself not only to the correction of the improper practices which had crept into the business of underwriting, and to the enforcement of adequate rates, its early efforts in the direction of means of prevention of fires, were constantly and to a large extent successful. To the power of their demands, Boston (after its second great fire proved its weakness), owes its present improved fire department and increased means for extinguishing fires.

Under the rules of the National Board the great city of New York commenced reforming its business district; during the year 1873, no less than 622 business buildings having been altered and made to conform to the views of the National Board, and receive a reduction of rates.

Chicago, Cincinnati, Toledo and other cities, have made and are making such improvements in their building laws, and in the morale of their several fire departments as the standard of the Board indicates. The interchange of experience in the various cities by the several companies through the extensive ramifications of the agency system, enabling them to bring such a moral pressure to bear, that the chances of overwhelming disasters seem very much lessened.

The Committee on Statistics of the National Board have devoted much time and labor to the classification of the experience of the companies on certain classes of hazards, whereby in time, the actual cost of these hazards may be determined with a fair degree of accuracy.

To the reports of the Standing Committee on Legislation, are the Underwriters of the country indebted for the partial relief from the burden of unjust taxation, and the efforts of verdant legislators to "regulate insurance companies." Upon their recommendation a uniform system of blanks have been adopted by the Commissioners of the several leading States, thus securing much more thorough statistical knowledge of the conditions of the companies, but saving much unnecessary expense and annoyance.

Our space will permit us to barely mention a few of the many other reforms inaugurated by that body, such as the municipal regulations for the storage and sale of petroleum and its products; the creation of the fund for the detection of incendiaries; the establishment of Salvage Corps or Insurance Patrols in the leading cities; the experimental work on chemical combinations as a substitute for water and the more elaborate machinery for suppressing fires, etc., which we hope to elaborate more in detail in future numbers, hoping their good effects will be inaugurated in our own city.

With the record which we have so feebly set forth, we may well consider the National Board of Fire Underwriters, notwithstanding their errors and mistakes, as deserving the earnest and hearty support, not only of all conservative and responsible companies, but of the property-owner himself.

How infinitesimally small appears the petty local squabble over a disputed risk in the light of the majestic reforms of this body of intelligent underwriters, of whom, a recent report says that, while 23 non-board companies had gone out of existence during the coming year, not one National Board Company is known to have failed during that period.

Fraudulent Claims.

There has recently come to light, in the city of Cincinnati, the most astounding array of fraud and crime ever perpetrated upon insurance companies. There seems to have been a regular organized band of scoundrels, with a man named Soerg to play the physician, and an insurance bummer—one of those miserable parasites that seem to attach themselves to the business without any real position as agent, or any respectability or standing with anybody—this bummer acted as the medium by which the policies were obtained through the Cincinnati agencies of the different companies. The plans of the conspirators were various. One was to insure sick and dying men in the hospitals, personating them with healthy men procured for the purpose. Many men were

insured without their knowledge, and more than one of this class seems to have been made away with, and the money, in some way, obtained by the rascals. It appears that in many cases wives of the insured were in league with the sharpers, forming an important auxiliary in the conspiracy. Agents were employed to hunt up victims. Several policies were actually paid, but a large number were discovered and suspected, and canceled by the companies. In one or two cases of suspected murder the claims were never presented, the villains becoming alarmed at the prospect of investigation. Altogether it was a regular speculation in human life. A completely organized band, whose purpose was to secure insurance and then furnish a corpse by fair means or foul. A strange feature in the case is, that so far as we have been able to learn, no effort has been made to bring the villains to justice. The companies seem to have been content with canceling the policies obtained by fraud. We hope, however, to yet hear that all the guilty parties have received the punishment so richly merited. Like the Irish conspirators so lately convicted of a similar traffic in human life, these men should at least be placed out of the way of further opportunities for fraud and murder.

Let those people who are fond of denouncing the insurance companies as the embodiment of fraud and humbuggery, because they, in rare instances, contest a claim, think for a while of this wholesale conspiracy that flourished for years without detection, and then say that a company can be too careful where fraud is suspected. There is not a doubt but the money that has been paid upon unjust and fraudulent claims exceeds the sum of all the claims contested by the companies. This brings us to what we have so often said in regard to companies. A company should never pay a claim that the officers believe to be unjust, no matter how politic it may be to do so, or what apparent advantages accrue to the company. The rights of others are jeopardized by such complaisance on the part of the company, while crime in its worst aspect is fostered by too great a laxity in the investigation of

losses. Whatever outsiders may think, there is a strong tendency on the part of the companies to avoid the odium and vexations as well as the spiteful vituperations attending upon law suits on policies. But true, manly officials will bear the unpleasant attendants and probe to the bottom cases of suspected fraud, and refuse to compromise at one per cent. where there is a taint of fraud in the claim.

Has the Board any Power?

For some time past we have closely observed the conduct of members of the Board of Fire Underwriters of this city, in the matter of cutting rates and violating rules. Hearing the charge so frequently made that this one and that one were writing at less than Board rates, we gave ourselves some trouble to ascertain if there was any foundation for such accusations, and we must say that the result of our investigations was anything but favorable to the majority of the parties charged with these deviations. We found that not only were they cutting rates, but in many instances they were doing a reckless and illegitimate business also. Many of them, in their eagerness for business, were writing upon such risks as no respectable company would carry, and at almost any rate they could get. When asked to rate a risk they almost invariably gave the correct Board rate to start with, but when told that some other company would take it for less, they would answer, "Well, see what you can get insured for elsewhere, and then come back to us, and we will tell you what we will do." That is to say, "We will take it for as low a rate or even less if necessary, than any one else." Every broker knows that we speak the truth when we make this statement, as they constantly listen to this same kind of talk. The result of this request to "come back," they also know as well as we do, as they generally "go back" and get the rate they want.

We know that some of the underwriters deny that such things are ever done by the members of the Board, but this denial emanates more from their desire to uphold the

integrity of the Board than from an honest conviction of the facts. They think that it is not good policy for them to admit that the rules of the organization are not respected by any number of the members, as such admission would weaken its influence as well as impair the faith of the public in the underwriters themselves. Perhaps it would. But then is it not best to admit the facts, for facts they are, and inaugurate a public and vigorous warfare upon these offending members and compel them to abide by the rules, or suffer the penalties? The more they are shielded the more they will trespass.

But then, has the Board any power to punish these offenders? Can it compel them to comply with the rules and regulations, or rather, dare it undertake to compel them to do so? What holds it together, and from whence is its power derived? Prominent members tell us, "We must make some concessions, for if we do not then some of the members will draw out." If this be so, then where is the power of the Board to compel obedience? But why make concessions to any one? Certainly no one ever entered the Board under any stipulated agreement that they were to be allowed certain privileges not granted by its Constitution! If not, then why should concessions be made to them, or why should they escape punishment for deviations? If the Board has any power let it be asserted at once, in order that these demoralizing practices may be checked and their influence counteracted.

There are prominent members of the Board to-day, who are playing wholesale brokers for outside companies. These men are doing much to demoralize the business both in and out of the Board. They are even demoralizing the business of the non-Board companies by their illegitimate practices. We refer to agents who are working up large mercantile and other business risks, and sending them East to be placed at such rates as the owners are willing to pay. Not willing to lose the commission upon such risks as they cannot write at low rates themselves without detection, they send them East and get them placed at any figure they can. Is

this legitimate? Is it in conformity with the rules of the Board, and with their duty to the underwriting profession? Cannot the Board do something to remedy these evils? They are ruinous to the business and should be stopped at once.

New and Old Towns in California.

The mining towns of California have been "cremated" once, twice, and some of them three times. The very bones of these towns have been burned up. And this has happened, generally, after the resources through which they have been built up have been partially exhausted. Nevada at one time had a population of not less than 15,000; that is, there were this number which were near enough to depend upon the post-office in town. Three great conflagrations have swept over the town, yet it is to-day just about as much of a place as it would have been had no fire consumed it. In the autumn, according to precedent, we expect to get news of the burning of two or three mining towns. The buildings are chiefly of wood. There is always a Chinese quarter with all the appliances for touching off a fire suddenly; high winds, and material exposed to the hot sun until it is almost ready for spontaneous combustion, will ordinarily insure a sweeping conflagration. And so it happens that nearly every mining town of any prominence has been tried as by fire. Mokelumne Hill has been swept for the second or third time. It will be restored again, because its resources are not confined to a few wooden houses. The eight or ten thousand people who used to be tributary to the "Hill" are not there now. We shall have only the twenty-five hundred, more or less, who will still cling to its fortunes, and hold, with a good deal of justice, that it is one of the healthiest and most picturesque towns in the world.

After such a disastrous experience the wonder is that greater precautions are not taken against fire in these mountain towns. Thus, at Mokelumne Hill there is a kind of lava-rock, nearly or quite fire-proof, and yet so soft when it is uncovered that it can be

cut with an ax, and can be procured without limit. We do not hear that any of the buildings constructed of this rock were destroyed. In the vicinity of all the mining towns there is an abundance of rock within easy reach which may be had without other expense than that of hauling. The rough stone cottage is cheap and comfortable. There are no earthquakes in the mountains to shake it down, and the fire will not consume it. If these mountain towns were constructed from the waste rock everywhere accessible, they would be among the most picturesque towns in the world.

But in respect to combustible material the mining towns are hardly worse off than is San Francisco. We have a wooden water-front, and two-thirds of the area of this city is covered with wooden buildings. We have a better police supervision, and a more efficient fire department. These are about all we have to reduce the contingencies of a sweeping conflagration. An artisan has recently shown the practicability of inclosing all wooden houses in cities with a brick shell. He demonstrates that it can be done at a comparatively small expense, that the value of houses so treated is greatly enhanced, and that all objections to wooden houses would be thereby avoided. The brick shell would sustain only its own weight, and there would be little real danger from earthquakes. These double houses may yet come into favor, but we are not ready for them yet. At present wooden houses are popular, and the more so as they admit of much cheap and meritorious ornamentation.

New mining discoveries will create new mining towns, and these will follow the fortunes of the mines to a large extent. But the most promising new towns will spring up along the Coast. A considerable town will result from the colony settlement of the Lompo Ranch, just north of Point Conception. Monterey will be resuscitated, partly through the influence of a local railroad, and the development of agricultural wealth. Santa Barbara has grown from a Mexican hamlet to its present dimensions within the last eight years; and San Diego, with a fine harbor in front and a paper railroad in the rear, has done wonders.

It is now evident that there will be a chain of flourishing towns along the Coast, built up largely through agriculture and local commerce. These will never go backward, because the chief elements of prosperity are not likely to fail. In early times there were towns laid out, like "New York of the Pacific," which never came to anything. They were started without resources, and as a crazy speculation. They never progressed far enough to furnish a respectable ruin. But the new coast towns, deriving their life from population and business, will be both permanent and prosperous. There is room for at least twenty such towns. Many of them may be swept by fire, as the mountain towns have been. But the white wooden towns by the sea will be likely to hold on their way until the bottom falls out of agriculture and commerce—which will certainly not be in our time.—*Evening Bulletin.*

Of What Should the Investments of Fire Insurance Companies Consist ?

It would seem that, if state supervision is capable of furnishing any protection whatever to the people, such service would be performed in the sifting of the assets and investments of insurance companies, and the exclusion of bogus and doubtful securities. If the state can safely certify to anything, the nature of the securities owned, or held as collaterals, by the companies, is that thing. Here the subject of investigation is plain, the methods easy, and the facilities for doing the work thoroughly and well are all that could be desired.

And yet it is right here, at the point where there is the least excuse for failure, that the boasted safeguards of state supervision are continually breaking down. So common and so notoriously fraudulent has become the practice of organizing fire insurance companies by swapping worthless real estate securities for equally worthless stock—and this, in defiance of the law that compels the officers to make oath that the capital has been paid in *in cash* and in good faith,—that the insurance commissioners,

at their recent session in Detroit, found it necessary to make confession of their official incapacity, by resolving that "the practice of taking mortgages upon the lands of stockholders in exchange for stock, is contrary to the true intent of the law, adverse to the interest of the insuring public, and should not be countenanced by official sanction."

The president of the convention—Commissioner Chapin, of New York—said in his opening address:—"A fire insurance company whose assets consisted entirely of mortgages, ought not to enter every state. A new company with \$200,000 capital should have no more, at most, than \$100,000 in mortgages. A portion of its assets should be instantly convertible into cash." And the discussion, formal and informal, developed the fact that this is the prevailing opinion among the commissioners.

What would the commissioners have the companies invest in? Even while they were debating this matter, an examination of the Central Fire Ins. Co., of Pennsylvania, was revealing the fact that, of its securities, \$100,000 of railroad bonds—an investment which conforms in letter and spirit to the views of the commissioners—were forged, fraudulent and worthless.

And now this week come the revelations in the case of the Palisades Fire Ins. Co., the president and secretary of which are now under arrest upon the charge of having forged conveyances of real estate and real estate mortgages, to the amount in all of many thousands of dollars.

What then is safe? And where is the security afforded by state supervision, even in this easiest and simplest of matters? It is unsafe for a company to have all its assets in loans upon bond and mortgage. Railroad bonds may be forged; and "cash in bank" take to itself wings and ocean steamers and underground conveyances of various kinds, and fly away, as in the case of the People's Ins. Co.

If in the plain matter of investments, state supervision can give no certain protection, and the sharpest of state supervisors may be so readily deceived, what can we expect in

more difficult matters?

The truth is, and will always be, that there is only one security for the policy-holders of an insurance company—and that is in the character of the management. If there be not security here, it cannot be found anywhere; and certainly cannot be created by the operation of insurance laws, or discovered by the inquiries of insurance commissioners.—*The Chronicle*.

Chicago and the Companies.

The idiotic conceit that the insurance companies had better withdraw from Chicago rather than that the public shall comply with the demands made by them respecting the enforcement of additional precautions against fire, was strikingly exemplified on last Monday. A merchant of this city received \$100,000 worth of pork on Tuesday, and vainly sought for insurance thereon. After canvassing the Chicago agencies of all the responsible insurance companies, the headquarters of companies in other cities were consulted by telegraph, and up to a late hour at night only \$2,500 of the insurance was taken. As a matter of necessity, the property was immediately shipped to another city. It is all very well for unthinking persons to cry out, "Let the insurance companies go!" but, when the insurance companies do go, they will take with them the bulk of the movable property now here. If our merchants can get no insurance in responsible companies, they cannot, of course, keep a large stock of goods on hand. No merchant East will sell goods on credit and himself take the risk of their being destroyed by fire. If our elevators and warehouses and packing houses cannot be insured, then business will give them a wide berth. If the insurance companies cancel their outstanding policies and close their agencies, it is possible the damagogues will change their tune. Then, when a fire happens, it will mean annihilation, with no credit and no resurrection. Is it not better to put on iron shutters, take down wooden Mansards, employ private watchmen, remove oil factories and oil warehouses, and

generally put the city in a condition of defense against fire and retain the insurance companies, than to expose public and private credit to the irreparable injury of being left for a single month without insurance, and at the hazard of annihilation by fire? —*Chicago Tribune*.

An Interesting Law Suit.

The life of the former State Printer, Mr. Springer, was insured in the Widow and Orphan Fund Life Insurance Co. of Nashville, for \$10,000, for the benefit of Mr. H. S. Crocker, of the firm of H. S. Crocker & Co., printers and stationers. The insurance was effected May 24th, 1873. Mr. Springer died February 25th, 1874. Dr. Barry, the Cashier of the company, happened to be here at the time and hearing some rumors regarding the health of the deceased, stopped the payment and proceeded to make a thorough investigation of the matter. The information so obtained, he considered, justified him in refusing payment. July 1, Mr. Crocker brought suit against the company in the 12th District Court. The defense demurred to complaint on the ground of its failure to show insurable interest. The demurrer was sustained. The complaint was amended; the answer has been filed and the case set for the October term. The claim is resisted on the ground of fraudulent statements made in the application for policy. This will be a case of considerable interest, as showing the value of the applicant's statement, and has already attracted the attention of life underwriters in this city. Previous to the application to the Widow and Orphan Fund, application for insurance was made to two or three other companies and rejected.

The well known character of Mr. Crocker will prevent the slightest reflection upon him. If it turns out as the defense indicates, it will also appear that Mr. Crocker knew nothing of the different statements made, but desired the insurance, and paid the premium, to secure himself from loss on account of his peculiar business relations with the deceased. The taint of fraud, if

any, will rest upon other parties who do not appear in the transaction; who, familiar with all the facts and obligations on both sides of an insurance contract, yet persisted in the efforts to obtain the insurance.

Supervision.

We are indebted to the *Cronicle*, whose editor, Mr. E. A. Hewitt, attended the National Insurance Convention at Detroit, for a very entertaining account of the session. The deliberations of that body were chiefly remarkable for what was suggested, rather than for what was done. It is some satisfaction to the ordinary mind to know what insurance superintendents think should be done. It is a favorable sign, too, to see that the questions of re-insurances and amalgamations receive so much attention. Not much, however, came of the discussion. It was the general opinion that it was good to amalgamate or re-insure sometimes, but that it had usually been very disastrous to do either. There was a desire manifested to leave companies free to re-insure, while cautioning them of the dangers of such a course. We say such a desire was manifested; perhaps that is too strong; at any rate, we imagined we could see, running through all the arguments on the subject, an internal conviction that that was the only way to deal with the question.

It is a remarkable fact that the more honestly and earnestly the intelligent man examines the subject of insurance, the more firmly he becomes convinced of the utter futility of trying to govern it by special laws and special bureaux. The result of all discussions in insurance journals, conventions, and annual reports, is a well defined conviction in nearly all insurance minds, that all the trumpery of insurance departments has been a positive injury to the insurance business, has not strengthened the companies financially or morally, has given no protection to any body at all commensurate with its cost, and if it were not for its pernicious tendencies, would be a huge burlesque upon all forms of law and State machinery for the protection of its citizens.

There is not an admitted evil in the in-

surance business but has thrived under State supervision. There are no calamities that mortal eyes can see, that have been averted. Whatsoever that is good or commendable that has been done or attempted to be done by Insurance Commissioners, has been done after long and persistent importunities by the insurance press and a few sensible men connected with the business, and generally the reforms secured under such circumstances have been too late for practical good, or so bungled by ignorant incumbents as to be wholly valueless.

If all the good done for policy-holders, and all the service rendered companies by all the insurance departments in existence was condensed into a single good deed, it would not outweigh the injury to policy-holders and companies accomplished by the ex-grocery-man who exercises the functions of Commissioner of Insurance in California. We do not mean to say, or even suggest, that there will ever be another superintendent of this or any other State so capable of evil and so utterly incapable of anything else, but his viciousness and ignorance is a part of this country's experience of State supervision, and the advocates of supervision must take him whether they will or not.

Chicago and the Underwriters.

No city in the world has suffered more by fire than Chicago. The conflagration of October, 1871, was the greatest ever witnessed in modern times, and perhaps the most destructive ever recorded in the history of the world. It caused the loss of about a quarter of a billion dollars' worth of property and entailed upon the insurance companies a loss far in excess of the premiums collected in the entire State of Illinois from its earliest infancy up to that date.

But previous to that great fire, it had been the scene of many small conflagrations which had cost the companies many millions of dollars, and subsequent thereto it has been one continuous succession of big fires, precipitating millions of loss upon the

underwriters, until the recent great conflagration which again laid in waste hundreds of buildings. This confirmed the underwriters in the opinion which they have long held that there was no safety for them until the Fire Department was remodeled, the fire limits extended, the water supply increased, and various other changes of an important character were made. A fire wall should be erected between the old and the new city, or an extensive park laid out which should extend through the city between the two and over which it would be impossible for any fire to leap. Feeling that their security depended upon these things, they demanded that they should be done at once, and gave the city authorities until the first of October to begin the work, on pain of the withdrawal of their protection if the demand was not complied with. At this writing the city authorities have taken no steps to secure these improvements, and the National Board has notified them that on the first they will withdraw in a body and leave the property-holders to take care of themselves.

This is a very proper action, and we hope to see it carried out. The demands were not unreasonable, and they should have been complied with. True, they would have cost the city a very large sum of money, but not the fiftieth part of what the companies have suffered by fire heretofore, and are likely to suffer again any day, within her limits. Their safety demands some change which will render the city less liable to destruction by conflagration, and if this change is not made, their duty to their stockholders will compel the officers of these institutions to abandon a field which has hitherto been so unprofitable and which promises to be so still. There is no other safety for them, as they cannot raise the rates to such a figure as will give them protection.

But not only is it to their interest that these changes should be made. The property-holders are also interested in this matter, as every improvement made looking to a better protection against fire increases the value of their property and reduces the cost of their insurance. They would be more greatly benefitted by these changes than

the underwriters, and it is their duty to see that they are made. Besides, they cannot expect the underwriters to offer them protection at any price, when they have no protection for themselves, and without the protection which insurance gives they will find it difficult to do business with outside cities and towns. Let us hope that these improvements will yet be made, and that Chicago will be rendered secure from a repetition of the two great conflagrations which the last three years has witnessed.

Oakland and its Fire Department.

We have repeatedly alluded to the character of the Oakland Fire Department, and of the extent of the fire limits, etc. Recently the limits were slightly extended and the Department changed from a volunteer to a paid one. We hailed these changes with delight, thinking that they were only the preliminary steps to still greater improvements which are needed in order to render property-holders secure from the dangers of conflagration. The fire limits as extended only reach from Third to Fourteenth Streets, along Broadway, and 150 feet on each side. They should extend at least from Broadway west to Washington, and east to Franklin, and thus take in one entire block on each side of that street. Inside of that boundary not only should there be no more frame buildings erected, but many or all of those that now exist should be removed. There is now a number of stables, feed stores, coal and wood yards, barns and other combustible establishments within this boundary which should be removed. Twice of late have these establishments furnished fuel for the flames, and that they will continue to do so, unless removed, no one can doubt who will take the trouble to examine their location and contents. These things should all be removed to some other locality not so densely populated, and where there are no mercantile establishments to be endangered by them.

But not only is there a necessity for reform in this matter, but there is great need

of system and order in the fire department, and this can only be secured by getting an experienced and reliable man for Chief Engineer. We were present at the Ninth Street fire, on the 27th of last month, and it was painful to see the mismanagement on that occasion. In the first instance, the alarm was not sounded from the City Hall for at least fifteen minutes after the fire broke out, and from the time of the first alarm until the engines had up steam enough to throw a stream upon the burning buildings, thirty-two minutes had elapsed, during which time the fire had extended to three other buildings, and was getting under good headway to destroy the entire block. And had there been any wind of any consequence, it would have done so. This tardiness in getting up steam convinced us of the importance of an ordinance requiring the engineers to keep up constantly a head of at least five pounds of steam. This would enable him to get up steam enough to throw a stream over the top of the tallest building in the city in ten minutes. Will not the Common Council do something toward remedying these matters at once, before a large portion of the business part of the city is destroyed by conflagration, which is likely to occur any day?

Withdrawal from Chicago.

The resolutions of the Executive Committee of the National Board of Underwriters, recommending the withdrawal of the companies from Chicago, have, as their immense importance demands, caused an intense excitement in that devoted city. The papers have been for weeks past urging compliance with the demands of the underwriters, and have to a certain extent endorsed them as eminently fit and proper to be made, not only for the security of the insurance capital covering the city, but as a necessity for self-preservation. Yet now that the withdrawal is actually to be consummated, the same papers affect an intense indignation, classing it as a "dastardly act, a foul blow," etc. The *Times* of the 25th of September devotes four columns to the

situation with the following head lines:

"GO AND BE D—D."

This is Chicago's reply to the National Board of Underwriters.

They may get right "down and out" just as soon as they are ready.

And this poor town will be well rid of a Rowdy Gang of Incendiaries.

But there is no hope of the Understrapping Over-Writers leaving just yet.

Not while anybody will submit to be plundered by their robbery rates.

Eighty-six out of one hundred and thirty Companies already announce their intention to tarry.

Business men generally indignant at the Blustering Board.

Yet the editor, in the same issue, in a column and a half article, on the withdrawal of the insurance companies, says: " * * * as to the right of the underwriters to propose such conditions, there can be no dispute. Underwriting is their business; their right to manage their own business, lawfully, in their own way, to the promotion of their own interest, cannot be questioned.

"Nor can their prescription of these conditions be properly regarded in the light of an attempt to dictate to the city authorities. They took great pains to avoid every appearance, and to repudiate every implication, of a spirit of dictation. They did this not only in their organic action and expression; but as isolated companies and as individuals, they took every pains to disabuse the minds of their Chicago patrons of any suspicion that their action was capricious. The presidents and leading directors in the best-established companies visited this city personally, and spent days in personal examination of the situation. They called upon our landlords, our leading merchants, and our representative business men, assuring them of their earnest desire to continue their agencies here, and telling them that the determination to withdraw unless the

conditions specified were complied with was not a determination of choice, but of necessity. This alternative necessity has arisen by reason of the loss of confidence, among those actually carrying the risks in this city, in the city's safety against annihilation by fire. The capital represented by the companies was invested by its owners for gain. In large part it was the property of estates, of minors, of widows, of benevolent societies—trust funds invested for permanent and steady interest, and not with any speculative idea. The owners of this capital were made uneasy by the enormous losses by the conflagrations in Chicago; they were insisting that the companies withdraw from Chicago, under the threat of withdrawing their funds from these and placing them in less hazardous securities. It was under this state of things that the underwriters had found no alternative but to insist upon the conditions specified, or retire their agencies from Chicago. There was no demand or dictation about it; it was an alternative necessity forced upon them by their owners, which they had no choice but to meet.

"There is reason to say that these representations were generally satisfactory to landlords and merchants. But not so to the city officeholders and their henchmen. The political bummers and their representatives in the municipal administration continued to blow about not being dictated to by the insurance companies, and to declare, idiotically, that Chicago could get along better if the insurance companies should keep their word and depart. But that the companies really meant to withdraw they would not believe. It was all a game of bluff to make the "city authorities" submit to the demands of the insurance companies.

"Well, the first of October is near, and the National Board of Underwriters have just given notice that, on the arrival of that day, the resolution to withdraw from Chicago will be carried into effect. And now come the representatives of the political bummers, crying out that this is "a cruel and dastardly blow to Chicago." * * * * The actual withdrawal of the responsible insurance companies from Chicago must have

a very potent influence in bringing the business and tax-paying part of the population to a realizing sense of the desperate nature of the situation. It has long needed something like this to open the eyes of the proprietors of Chicago to the interests of their city; that is, to their own interests. Probably nothing less than the actual withdrawal of the insurance companies, and the withdrawal of the loans, which will follow as a consequence, and the transfer of much business to other and safer points, which will also be a consequence, could awaken the proprietors of Chicago to the fact that their interests are fallen into the hands of an army of irresponsible devourers, that must be got rid of, together with the system that engenders and nourishes them, before prosperity can return.

"If it have such an effect, instead of being a "cruel and dastardly blow," the withdrawal of the insurance companies will be a most beneficent event for Chicago, and those who truly appreciate the situation will fervently hope that the underwriters will stand rigorously to their resolve."

A New Corporation.

Something of a new era may be said to have been inaugurated in life insurance in this city by the incorporation of the Indemnity Union, or, we might say, Unions, for there are ten companies, varying only in the numeral; as, Indemnity Union No. 1, Indemnity Union No. 2, and so on up to No. 10.

These companies are organized under an Act of the last session of the Legislature of California, designed at the time to aid the co-operative organizations in the state. The law restricted the number of members to one thousand, and claims were not to exceed three dollars for each member. The plan of the organization is something like this: Members are charged the absolute mortality cost of insurance with a small loading for expenses. A table of rates appended to each application shows just what the member must pay. His insurance is simply yearly insurance, as fire insurance

is paid for, but of course the yearly dues increase each year with the age of the member. Some of the first citizens of the city are among the directors. The corporation reserves the right of assessment, but it is believed the mortality charges will be sufficient without assessment. They do not propose to issue certificates for more than one thousand dollars for each company, which will amount to ten thousand dollars in all.

Misstatements in Applications.

In the case of *Jay vs. The Gesham Life Assurance Company*, tried recently at the Leeds' Assizes, Mr. Baron Amphett, in summing up, took occasion to say that if in the proposal for insurance questions were answered untruly, although the untruth was not known to the persons answering them, the policy would be vitiated. This, Baron Amphett pronounced, a harsh construction, and seemed to think the law an unjust one.

Why any one should think this law inequitable is more than we can divine. That it may sometimes work hardship, as any other law may, is, of course, true. But in matters pertaining to contracts such a law is absolutely necessary. The whole foundation for the issuance of a policy is found in the application. It is well understood that unless the answers to questions are satisfactory no policy can be issued. Any doubts or obscurity upon material points will prevent the completion of the contract. If, then, the company is induced by positive statements to enter into a contract, and the statements turn out to be untrue so that the company, which represents the interests of the policy-holders, could suffer loss, then it certainly is right that the law should release the company from the obligation. It may seem hard that a man must suffer the consequences of his own mistakes, but surely it were harder for some one else to bear the burden.

We think this law should be applied still farther than it usually is. Suppose a man to be laboring under some sort of mental derangement, not easy of detection, but subtle and dangerous, should, with a mad cunning,

apply for and secure a policy. He would answer the question with regard to insanity in the negative, and be utterly unconscious of the untruth. The friends referred to might not be aware of the trouble, and those who knew of the derangement not be consulted. Upon positive statements, derived from honest effort to arrive at the truth, the company enter into a contract. The insured's madness culminates in suicide, or some desperate act that results in death.

Must the company suffer in such case? Is not the hardship greater in their case than with the insured?

The truth is, we cannot see how a Company can be held for loss where the material facts in the case are perverted in any manner, so long as there is evident intention and proper effort on the Company's part to arrive at the truth. This may all be stale reasoning to lawyers, but it does not seem to be as well understood by people generally as it should be.

Editorial Notes.

—With the current number of the "COAST REVIEW" ceases the connection of Capt. J. G. Riley, its former editor. Under the new administration, it is hoped this Journal will become more than ever welcome to the Insurance, Banking and Mining interest of the Pacific States.

It will be the aim of the proprietor to make it an exponent of the better elements in each of these important branches, and he relies with confidence upon the active support of those who have them in charge.

The "COAST REVIEW" already takes rank with the leading insurance journals of the country, as is evidenced by the steady increase of its circulation among the insurance officers and agents throughout the country, and more especially in the Eastern States.

Believing that the best interests of companies and property-owners are best subserved by such legitimate measures as a combination of the experience of the oldest underwriters have contributed to the national Board of Fire Underwriters, we shall

heartily support all its just measures, not hesitating to print out what, at this distance, may seem to us to be unwise.

As a local journal we shall claim the privilege of discussing the measures, wise or otherwise, of the Local Board and non-Board companies, "nothing extenuating nor setting down aught in malice."

Legitimate criticisms, devoid of personalities, treating upon principles rather than instances, will be made welcome, as we hope to make each monthly issue of the "COAST REVIEW" of value to its readers.

—Very few companies present so solid an array of assets, and such a healthy condition generally as the companies (Hanover and Germania) comprising the Underwriters' Agency. The two companies, nearly equal in strength, have aggregate assets amounting to \$2,551,639.81, with liabilities less than a hundred thousand—losses in process of adjustment.

The Underwriters' Agency has always been counted among the solid, conservative institutions of the country, and this statement will do much to increase the popular faith. In these days of wild-cats and general weakening among all classes, it is refreshing to examine the statements of really sound companies.

Mr. W. J. Stoddart, a first-class underwriter, represents the Agency in this city. Mr. S. is also agent for the Phenix of New York.

—The Legislature of Massachusetts contemplates some wholesome supervision of its insurance companies. A bill pending in its Legislature prohibits insurance companies from advertising the amount of their gross assets, unless they add thereto the amount of their liabilities. It also prohibits them from advertising as assets items that the insurance department does not admit as such, as, for instance, agents' balances and supplies, stationery, furniture, etc., and provides that no statement shall be published showing the condition of a company more than three months older than the original date of such statement.

—The *Memphis Appeal*, in speaking of the Mississippi Valley Insurance Company of that city says :

"Whatever there may be in good luck, there is everything in good management, so far as business is concerned; and this is chiefly the reason why the Mississippi Valley Insurance Company of Memphis has made over \$40,000 since the 1st of last January, above all losses and expenses. Notwithstanding a largely extended business losses have been few and light, and the affairs of the corporation have been managed with economy and judgment. In the last great fire in Chicago the total loss of the company was but \$54, its agent having taken but very few risks in that portion of the city in which the fire occurred, though its business in the newly built and solid district was large, and is rapidly growing, as it is in other directions. It has within the year introduced itself favorably and prominently into Massachusetts and North Carolina, and largely increased its business in Kentucky, Missouri, New York, etc. Hence the enhanced value of the company's stock, as recently represented in the public prints. The capital of the corporation is \$300,000, and T. B. Dillard, one of their most prosperous merchants, is its President.

—The German Insurance Company, of Erie, Pennsylvania, has, we are informed, concluded to wind up business, either by re-insuring outstanding risks, or the purchase and cancellation of policies. Messrs. Hutchinson, Mann & Smith, the representatives of the company here, have been informed by the General Manager that the company will pay all its losses, and wind up without loss to policy-holders.

—The California Insurance Company has at last concluded to do an agency business, and as an initiatory step has appointed Mr. W. L. Chalmers, former Special Agent and Adjuster of the State Investment, their General Agent. The efficiency of Mr. Chalmers is well known, and honest, hard-working perseverance in the discharge of his duties will have a great influence upon the future of the company.

—The *Investigator*, of Chicago, has so far descended from the dignified position an insurance journal should occupy as to perpetrate puns on the insurance commissioners. If the *Investigator* man finds anything of that kind too *deep* for him, we will lend him a shallow Foard.

—As we go to press the question of the Underwriters leaving Chicago seems a little mixed. We are sometimes informed that the National Board has given its *ultimatum*, and that other companies are going out; that Chicago merchants are in great distress; that they don't care; that the city authorities are going to yield to the demands of the underwriters; that they are firmly resolved not to yield, etc. What will be done exactly we cannot tell, though there is scarcely a doubt, if the Board of Underwriters holds out firm, that Chicago must yield.

—That was a good point some one made during the session of the National Insurance Convention. He claimed that, as State Supervision was for the benefit of policy-holders, an institution devised by the State to protect its citizens from frauds on the part of insurance corporations, then the people of the State should pay for it. Insurance companies should not be called upon to pay for what they do not want. They are now taxed to support these worthless institutions as if Commissioners of Insurance were a part of the business, and a necessary adjunct to insurance operations.

—We would like to know in whose interest the miserable batch of insurance laws of last winter were passed. Foard does not pretend that they were in the companies' interest, so if anybody is to be benefitted by them it ought to be the policy-holders—the only other parties interested in the matter. But we have it from the lips of many policy-holders, that they consider the laws in no other light than systematic persecution, and justify the companies in leaving. As an evidence of what the policy-holders think about it, we are informed that almost without exception, so far they have appointed the former agents of the companies their agents to transmit premiums to the home offices.

—During the month past we made a short but pleasant visit to the thriving young town of Hollister, ninety miles south of this city. Hollister is situated in a beautiful valley and is the county-seat of San Benito County. While our stay was short, yet we had time to see that the place was not as desirable for underwriting as one would wish, though there are many *good* risks, but many more bad ones. But the enterprise of the citizens will in a short time obviate the undesirability of many risks, as there is now in process of completion and just completed several class B buildings. Hollister has two banks, the Bank of Hollister and San Benito County Bank, each with capital of \$200,000. The former officered by Mr. T. A. Hawkins, President, and Mr. J. J. Bowen, Cashier. The latter, President, T. L. Baldwin; Cashier, — Fairchild. These gentlemen are first-class business men and will manage these institutions with care and ability. The Bank of Hollister has just completed a first-class one-story brick building, and have taken all possible precaution to prevent the burglar as well as the fire-fiend from entering their premises. Both banks have in use the Hall Burglar and Fire-proof Safes. The insurance companies, most of them, are well represented. Mr. T. L. Baldwin has the agency for the Phoenix and Home, and North British and Mercantile, and has a good line of risks on his books. He has had this agency for four or five years, and paid his first loss, \$1,000, on a country dwelling, during the past month. Mr. Fairchild, of the San Benito County Bank, has just taken the agency of the *Etna*. A. L. Smith represents the L., L. and G., and Imperial. Mr. Smith is a genial gentleman and a good business man and makes a good express agent, but is too much occupied with other business to give that attention to insurance which his agency deserves. H. M. Hayes & Co. are agents for the Fireman's Fund, but don't give enough attention to the business. R. I. Barnett, agent of the State Investment, is in the same boat. N. C. Briggs, of the Home Mutual, has a fair line of risks; but

considers the insurance business of too little importance, as compared with his law practice. Mr. J. I. McConnell, our genial friend, has the Hartford agency, and has sent them some good risks. While his risks are probably not so many as some of the other agents, they are first-class and among the best in the town. L. B. Edwards has recently taken the agency of the Commercial and has sent them some business. Hollister has about 1,500 inhabitants, and lawyers and doctors till you can't rest.

Chips.

—The German Fire Insurance Company, of Erie, has made an assignment to John N. Kuhn, of Erie.—*Philadelphia Reporter*.

—An insurance man, General Arthur le Ducat, won the first prize with his yacht Lotus, at a regatta on Geneva Lake, Wisconsin.

—It was the *Northwestern Review* that said it: An *Avalanche* has overtaken Caverly, and an *Age* of unrighteousness has hastened his downfall; while the *World* fails to bring a particle of consolation in the days of adversity.

—We are not certain, but it looks for all the world like the *Insurance Journal* had the Philadelphia *Underwriter*, *Real Estate Journal*, *Insurance World*, *Underwriter's Circular*, and others of that character, employed in building cob-houses, in order that its combative editor may amuse himself by demolishing them. Else why all these ponderous blows at the aforesaid mice, and why the temerity of the mice.

—Frank E. Perrin, formerly General Agent of the Aetna Life Insurance Co. for this State, has been appointed General Agent of the Company for Kentucky, with headquarters at Louisville. We sincerely wish Mr. Perrin success in his new field, but hope when our obnoxious laws are repealed and the company can return to the State that Mr. Perrin will be restored to us, and continued the good work for which he has become famous among us.

—Oh, the sublime impudence of the man! Stephen English says Caverly is a bad man, and proceeds to deliver a homily upon the sin of blackmailing!

—Thomas Merkel, First Assistant Engineer of the Virginia City Fire Department, told a sick man, Mr. William Biefeld, who was standing on the sidewalk, to take hold and help the firemen, who were hauling an engine up the hill. As the gentleman did not obey promptly, the brute struck him with his trumpet and killed him.

—Some time when the press of business is not so great, and our new harness begins to feel natural, we design noticing at some length the "Proposition for ascertaining the real cost of Life Insurance, submitted to the National Insurance Convention by Mr. Emory McClintock, Actuary of the Northwestern Mutual Life Insurance Company." But for the present, we can scarce give an opinion regarding the merits of the plan.

—R. H. Magill, former manager of the Phoenix and Home Agency of this city, has been appointed General Agent at large of the Home Mutual of this city, with the design to give special attention to the Oakland Branch of the Agency. Mr. Magill, connected with our friend Harry Bigelow, will make a strong insurance team, and no doubt greatly increase the business of the company. These gentlemen are too well known in this community to need any puff from us.

—Since our last issue a change has taken place in the management of the Pacific Mutual Life Insurance Company. Messrs. Schreiber & Howell will remove their office to this city and devote themselves to the "Trust Fund" part of the business, but will also continue as the company's agents. The business obtained by Schreiber & Howell, now on the company's books, will be in charge of the Home Office. This change has been in contemplation for a long time, but on account of the magnitude of the interests involved, and the complications of such a vast business, it has been slow in reaching a conclusion.

—Messrs. Blake & Forbes, of the Continental and Mutual Life Companies, have been in the States for a few weeks, pleasuring and businessing. They are supposed to be posted in the Plymouth Church disaster and to know all about the designs of the Chamber of Life Insurance, which we may suppose to be the chief pleasure and business of people East during the past summer.

—The *Herald*, of Chicago, has an interesting table of the fire insurance operations in Colorado, for the three years ending May 1st, 1874. There are few places where underwriters have fared so well as in Colorado. Only one company, and that in an insignificant sum, has suffered losses beyond premium receipts, while nearly all have done an exceedingly profitable business, so that the average ratio of losses to premiums is only 26.71. With fifty-two companies, and total premium receipts of \$366,859, this is certainly a good showing.

—Mr. Z. P. Clark, of the firm of Farnsworth & Clark, has just returned from the East with some additions to their excellent list of companies. They are, the Faneuil Hall, of Boston, Mass., and the Rhode Island Insurance Association, of Providence, consisting of the following companies: The Atlantic Fire and Marine, the Equitable Fire and Marine, the Merchants, the Newport Fire and Marine, and the Providence Washington, all of Providence, Rhode Island. The Faneuil Hall has a paid-up capital of \$200,000, and the Rhode Island Association, \$1,000,000. The Association issues one policy, and the agency here is authorized to write \$15,000 on good risks.

Messrs. Farnsworth & Clark represent the following companies :

Springfield Fire and Marine, Assets.....	\$1,200,000
Atlas, of Hartford, "	320, 00
Orient, "	800,000
Meriden, "	312,000
Mississippi Valley, "	500,000
Faneuil Hall, Capital.....	200,000
Rhode Island Association, "	1,000,000

With the above reliable companies, coupled with the experience of the members of the firm, we may safely call this a model insurance agency.

—Mr. A. E. Magill, of the firm of Magill & Denison, General Agents of the Phoenix and Home Insurance Companies, has just returned from a trip to the East on business connected with those companies. From appearances we should judge Mr. Magill to have been well cared for in New York and Hartford.

No doubt he comes back to business with renewed strength, and, if possible, increased faith in his companies.

—J. A. Brumsey, Esq., has been appointed General Agent for Nevada of the Home Mutual Ins. Co., of this city. Mr. Brumsey resided at Virginia City some years as representative of the Pacific Mutual Life Ins. Co. and also Agent for some of the Fire Companies. With his already extensive acquaintance and business qualifications his company may expect a good report.

—The successor of the lamented H. G. Horner, Secretary of the Commercial Insurance Company of this city, has already been announced in the person of Mr. Charles A. Laton. Mr. Laton as is well known was Marine Secretary of the Pacific Insurance Co., and just before the Chicago fire, upon the resignation of A. J. Ralston, Esq., he was elected Secretary. Previous to this, however, he was that Company's General Agent at Chicago. The before-mentioned occurrence prevented him from entering upon the duties of the office of Secretary.

Mr. Laton has a splendid reputation as a business man and underwriter, and in the new fields will win fresh laurels. With such a man as Secretary, the successful Company will not suffer seriously from its great loss in the person of the former popular Secretary. We welcome Mr. Laton to his new field.

—Joseph F. Knapp and John R. Hegeman, President and Vice-President of the Metropolitan Life Insurance Company, of N. Y., were arrested on the 28th ult., on suits of Carbin & Jaffrey, eastern managers of the North Western Mutual Life Insurance Co., on a charge of malicious libel. Bail was fixed at \$2,500. The alleged libel consisted in the publication of an item in the *Insurance*

Chronicle newspaper to the effect that Corbin & Jaffrey had bribed the clerks in the office of the Metropolitan Company to furnish them information from that office. Damages are laid at \$10,000.

—The Palisade Insurance Company, of Jersey City, according to the *New York Times*, has come to grief. A few days ago, it seems, Henry C. Kelsey, Secretary of State, concluded an investigation of the affairs of the company, and found that it was a rotten concern, when he notified the officers not to transact any further business, under penalty of being held amenable to the laws. They paid no heed to the warning, but continued to transact business as usual. On Tuesday last the Secretary of State, who is also Commissioner of Insurance of New Jersey, came to Jersey City, and made an affidavit charging that L. E. French, the Secretary of the company, had conspired with Charles Sacia to defraud the public by means of fraudulent insurance policies. Sacia is the President of the concern, and he is now in custody in New York awaiting trial on a charge of forging mortgages and bonds. A warrant was issued for the arrest of French, and placed in the hands of an officer, who proceeded to the office of the company in Washington Street, and took French into custody. He also seized all the books and papers of the concern. Among the latter there was found nearly \$200,000 worth of forged and fraudulent bonds and mortgages. The prisoner is held for examination.—*Journal of Commerce*.

—On the Illinois insurance report thus the *Chronicle* discourseth:

With the Illinois commissioner, the only use for figures is to combine them into ratios, and this work is without the excuse even of a Chinese puzzle. Unlike the puzzle, it exercises no useful mental faculty; it is purely mechanical, and any ordinary Chinese artisan could construct a machine to make them to order in unlimited quantities, and warranted free from errors.

These ratios have no value whatever. Indeed, they are worse than useless. They serve the purpose of an irregularly revolv-

ing lantern in a fog—viz: to more completely and disastrously mislead the navigator, who steers by it.

We have these ratios elaborately figured out:

1. "Ratio of unpaid to paid premiums." Why not, Ratio of unpaid to paid bills?

2. "Ratio of losses paid to premiums received." Why not, Ratio of number of death claims to number of medical examiners?

3. "Ratio of net assets to amount insured." Why, not, Ratio of net assets to amount of insurance lapsed?

4. "Ratio of official valuation to amount insured." Why not, Ratio of amount paid for official valuations to the variations therein?

5. "Ratio of expenses to premiums received." Why not, Ratio of expenses to interest received?

6. "Ratio of expenses to income." Why not ratio of expenses to surplus?

7. "Ratio of expenses to policies in force." Why not, Ratio of expenses to applications desired?

8. "Percentage of modes of termination of policies, viz: by death, expiry, lapse," &c. Why not, Percentage of methods by which policies were obtained, viz: by deceit, fraud, cajolery, etc.?"

And of such is the substance of the sixth Illinois life report, and of the Illinois insurance commissioner's claim to distinction among commissioners. These ratios are about as useful as would be a calculation of the ratio of the diameter of the Massachusetts' commissioners' hat, multiplied by the height of his self-conceit, to the number of cubic feet of sand on Cape Cod.

Fires.

—September 7th, fire at Yuba City, barn. Hartford, \$1,300. Incendiary.

—September 18th, fire at Bodega Corners, Hartford loses \$1,275; J. Hunt's Agency, \$1,000. Incendiary.

—One dwelling house destroyed by fire at Petaluma, September 20th. Insured in Hartford for \$1,200.

—A fire at Oakland, September 27th, destroyed a feed stable and dwellings. Phoenix of Hartford, loses \$1,000; Hartford, \$300. Incendiary.

—Napa City, September 1st, City Hall burned. Insurance losses: Insurance Company of North America, \$1,000; Hartford, \$1,800; Aetna, \$1,800; Fireman's Fund, \$1,800. Incendiary.

—Placerville, Idaho, was nearly destroyed by fire on the morning of the 21st ult. Fourteen business houses, the Odd Fellows' and Templars' halls, and many private residences were burned.

—An incendiary fire at Davisville, September 21st, burned four frame buildings. Insured for \$2,000 in the State Investment and Commercial Companies.

—Two blocks of buildings were consumed at Haywards, September 9th, involving a loss of \$18,000, with insurance as follows: Home Mutual, \$2,500; Firemans Fund, \$1,100; Phoenix, Home and North British, \$1,500 each.

—A fire at Los Angeles, September 14th, destroyed a brick flouring mill, steam and water powers, owned by a Mrs. Sterns, and occupied by F. Weber & Co.

The total loss of building, machinery and contents, was twenty-three thousand dollars, with twelve thousand insurance. Six thousand in the L. L. & Globe Ins. Co., on the building, and three thousand each in the State Investment, and the Commercial Union Companies, on contents and improvements. The losses have been adjusted and promptly paid.

—The fire which almost wholly consumed the town of Mokelumne Hill, September 5th, entailed the following losses upon companies represented here:

Liverpool and London and Globe.....	\$24,000
Imperial Insurance Company.....	9,646
Queen Insurance Company.....	2,678
Fireman's Fund Ins. Co.....	7,900
Home Mutual Ins. Co.....	7,700
Phoenix of Hartford.....	1,700
Commercial Union.....	1,800
Hamburg-Bremen.....	10,000

The Fireman's Fund had \$3,000 re-insurance, so that their loss is really \$4,900. This was a most disastrous fire, and was more serious in its consequences to the citizens than the money value of property destroyed would seem to warrant. The fire originated in the Chinese quarter. Some idea of the condition of this town and many others in the State may be derived from an article in this issue taken from the San Francisco *Evening Bulletin*.

—The Capital Woollen Mills, of Sacramento, that were burned September 15th, were valued, including contents, at \$200,000. There was only \$50,000 insurance in all, distributed as follows:

Hutchinson, Mann & Smith's Agency (10 companies).....	\$27,500
Union Insurance Company.....	5,000
Home Mutual Ins. Co.....	5,000
California F. & M. Ins. Co.....	2,500
Transatlantic Ins. Co.....	5,000
Commercial Union Ins. Co.....	5,000

The mills were owned by a stock company, and were started in 1868, since which time there have been added many improvements. There were large quantities of wool and unfinished goods in the building.

—We are indebted to Mr. W. L. Chalmers, who has just returned from Chico, for the following list of losses in the different companies by the fire in that city on the 28th ult. This is probably Mr. Chalmer's last service for the State Investment, as their Special Agent and Adjuster. He now enters upon his duties as General Agent of the California.

Fireman's Fund (Re-insured one half).....	\$10,500
State Investment.....	4,600
Commercial, Cal.....	3,100
Union.....	3,000
Commercial Union.....	4,000
Phoenix and Home.....	3,000
London Assurance.....	2,500
New Orleans.....	500
Liverpool and London and Globe.....	400

Total Insurance Loss..... \$31,600

The total loss by the fire was in the neighborhood of seventy-five thousand dollars. It is supposed to have been the work of an incendiary.

A Fire at Chico.

About nine o'clock on the night of the 28th ult., a fire broke out in the rear of Shearer & Evans' livery stable. The fire spread with such rapidity that our fire department could do but little good. In about half an hour nearly two blocks were destroyed, and at one time it was feared the whole town would be destroyed. Following are the losses and insurance: Chico Hotel, loss \$30,000, insured for \$2,500 in the Commercial Insurance, London, \$3,000 in the Union, \$3,000 in the State Investment, \$3,000 in the Commercial, and \$3,500 in the Fireman's Fund; H. Arents, agent for the Union, loss \$2,000, no insurance; Shearer & Evans' livery stable, loss \$20,000; forty-one head of horses were burned, insured for \$1,000 in the Commercial Union of London, \$500 in the Commercial, \$1,000 in the London Assurance, and \$3,000 in the Phoenix; Fred. Lightner, saloon keeper, loss \$6,000, insured for \$3,000 in the Fireman's Fund; C. L. Stilson, two-story brick, occupied as a butcher shop, loss \$4,000, insured for \$1,000 in the London Assurance; E. C. Nichols, three dwellings, loss \$5,000, insured for \$200 in the State Investment and \$1,000 in the Commercial Union of London; Sherwood & Turner, wagon-makers, loss \$10,000, insured for \$3,000 in the Fireman's Fund; Fargo & Frost, blacksmiths, loss \$1,000; John Kempf, loss \$500. A butcher shop and frame building, and several fine horses and buggies belonging to private parties here, who kept them at the stable, were also burned. There was no insurance on them.—*Alta*.

The Insurance on the Fall River Fire.

The insurance agents estimate that there will be a salvage of \$157,500 on the main building, as much of the machinery and other appliances of the mill can be utilized. The total loss they believe will foot up not far from \$250,000. The following is a complete list of the insurance:

Boston Companies—Arkwright Mutual, \$30,000 on building, \$10,000 on the machin-

ery, \$10,000 on the stock; total, \$50,000. Manufacturers' Mutual, \$48,000 on the building, \$16,000 on the machinery, \$16,000 on stock; total, \$80,000. Mill Owners' Mutual, \$12,000 on the building, \$4,000 on machinery, \$4,000 on stock; total, \$20,000.

Providence Companies—Blackstone Mutual, \$18,000 on the building, \$6,000 on machinery, \$6,000 on stock; total, \$30,000. Firemen's Mutual, \$30,000 on building, \$10,000 on machinery, \$10,000 on stock; total, \$50,000. Manufacturers' Mutual, \$30,000 on building, \$10,000 on machinery, \$10,000 on stock; total, \$50,000. Rhode Island Mutual, \$24,000 on building, \$8,000 on machinery, \$8,000 on stock; total, \$40,000. State Mutual, \$24,000 on building, \$8,000 on machinery, \$8,000 on stock; total, \$40,000. Worcester Manufacturers' Mutual, \$24,000 on building, \$8,000 on machinery, \$8,000 on stock; total, \$40,000.

Fall River Companies—Fall River Mutual, \$30,000 on building, \$10,000 on machinery, \$10,000 on stock—total, \$50,000. Total on building, \$270,000; on machinery \$90,000; on stock, \$90,000—total, \$450,000.—*N. Y. Mail*.

MISCELLANEOUS.

Incendiarism.

About 12 o'clock last Sunday night the bell of the watch tower gave the alarm of fire, and before we could reach Main Street our brave Engine boys had arrived and extinguished the flames before much damage had been done. The fire was first discovered in the loft of Wm. G. Bailey's Jewelry store, to which there is an entrance from Jackson Street. In this loft some fiend in the disguise of man placed a bundle of canvas saturated with coal oil and other combustibles, ignited them and decamped. Owing to the closing of the door, the dampness of the roof, the stillness of the air, and the efficiency of our Fire Department, a great conflagration was averted. The rumor was spread that this fire was the work of an incendiary, but, as usual in such cases, the fire having been subdued and very slight

damage done, it had comparatively little effect on the crowd that had assembled. People sought their beds again, and but a short time had elapsed before the alarm of fire was again given very vigorously by the tower, and Catholic Church bells, and the small frame building on Broadway, adjoining Hen. Parchen's residence, was discovered to be on fire, and very shortly after, and in quick succession, the Court House, a building opposite, Holter's lumber yard, and a frame house on Clore Street, were discovered to be in flames, all of which were promptly extinguished before any serious damage had been done. About 4 o'clock, a. m. the saloon building at the Hot Springs (Good-year's) was entirely destroyed by fire, and the Sheriff was requested to go there to arrest a man named Dan Milton, which he did, and lodged him in jail. There can be no doubt that all these fires were the result of a concerted plan to burn the city, and that it was a preconcerted arrangement is equally certain. To argue on these facts, with the evidence before us, would be idle. We are threatened by as dangerous a band of villains as ever lived, and the conviction is strong in the minds of the people that only extraordinary caution can save the city, and that only desperate measures will rid us of devils that are attempting our destruction.—*Independent.*

Would Like to Assist.

A petition was filed at Chicago, Sept. 15, in the case of the People ex rel., etc., vs. the Atlantic and Pacific Insurance Company, by Lemuel Freeman, asking that he may be appointed to close up the business of the Eastern and Middle Departments of the company. Freeman states that about July 19, 1873, he made an agreement with the company whereby he was appointed manager of the Middle Department, so called, including Pennsylvania, West Virginia, Kentucky and Ohio. The agreement was to run five years, and Freeman was to receive 25 per cent. commission on all premiums. Freeman represents, also, that as the company has been put into the hands of

a receiver, his prospective gains will be cut off; that but for this circumstance he would have made a large profit. He had, when the company went out of business, sixty-one agents, who have now about \$6,000 in their hands, and there are about \$15,000 of disputed claims. In the Eastern Department there are 175 sub-agencies, unadjusted claims to the amount of \$35,000, and uncollected premiums to the amount of \$30,000. The petition claims that the receiver cannot attend to such business in the Eastern and Middle States, and that he, having been engaged in such an occupation, is particularly fitted to take it. Moreover he alleges that he owns \$2,500 of the stock, out of which he not unnaturally wishes to make as much as possible. Freeman claims that, by reason of his acquaintance with the business, he could save a large amount to the company. After a long argument before Judge Moore the prayer of the petition was refused, on the ground that the whole matter had been referred to the receiver, and any arrangement connected therewith must be made with him.—*N. Y. Mail.*

The Chickering Life Insurance Suit.

The particulars of this suit, recently decided against the Globe Mutual Life, are as follows:

On the 12th of February, 1870, Colonel Thomas E. Chickering took a life policy of \$20,000 in the Globe Mutual Life Insurance Company, made payable to his wife, Caroline S. Chickering, at his death.

He died on the 14th of February, 1871, and the company refused to pay the policy on the ground that the premiums had not been paid in at the end of each quarter, as provided in the policy. Mrs. Chickering thereupon commenced a suit in the Supreme Court, and it appeared in evidence that Mr. Edward H. Osborn, the agent of the company in this city, was indebted to Chickering & Co., and had agreed with Colonel Chickering to take care of the premiums due the quarter preceeding his death.

It further appeared that the agent charged

himself with the premium in his account with the company, but the latter contended there had been a forfeiture of the terms of the policy. The case did not go to a jury, but was taken to the full bench for final termination and that tribunal has now ordered judgment for Mrs. Chickering. The Court says :

The evidence had a tendency to show, and the jury therefore might have found, that funds which the assured had a right to control and apply to the payment of the premium had come into the hands of the defendant's agent before the premium became due; that the assured directed that the agent should apply so much of said funds as was necessary to that payment, and that the agent undertook to do so, and afterwards informed the assured he had done so; that the defendants were credited in the agent's returns to them in exactly the same manner and at the same time, as if the premium had been paid to them in bank bills; that this proceeding was not an attempt on the part of the agent to waive a forfeiture, or to dispense with any provision of the policy, but was a mode of payment by which the agent in good faith charges himself, and which was within his authority as agent; and that he was not bound by his appointment to forward to them the identical money paid to him, but that he had general authority to collect premiums and remit the balance of his account (deducting his commissions) by procuring and forwarding a certified check payable in New York.—*New York Mail*.

Fight Over a Fire Insurance.

Philip L. Weaver and John W. Taylor brought suit to-day in the Third District Court against the Home Mutual Insurance Company of California, to recover \$6,927, under the following circumstances: On May 11th, 1874, in consideration of the payment by O. S. Holbrook to the defendant of the premium of \$245, the latter by its authorized agents, made out a policy of insurance and delivered it to the plaintiffs, and thereby the defendant insured Holbrook's factory against loss or damage by

fire in the sum of \$6,000, and the fixed and movable machinery in the sum of \$1,000. The full interest on the insurance was paid up to July 12th, 1874, when the property was totally destroyed by fire, which it is claimed, was not caused by the violation of any of the conditions of the policy.

National Insurance (Life and Fire) Convention.

Upon the unanimous invitation of the Common Council of Detroit, Michigan, the National Insurance Convention met in that city, Sept 2d.

The following Superintendents were present: Chapman of New York, (President of the Convention); Pillsbury of N. H., (Secretary); Nye of Maine, Rhodes of Massachusetts, (Deputy); Stedman of Connecticut, Forster of Pennsylvania, Smith of Kentucky, Row of Michigan, Morrow of Tennessee, Doyle of Wisconsin, Barnes of Arkansas, and Russell of Kansas.

The following named insurance men were present and participated in the discussion of the questions before the Convention: A. H. Harvey, Actuary Insurance Department of Missouri; E. M. McClintock, Actuary N. U. Mutual Life of Milwaukee; E. W. Bryant, Actuary Life Association of St. Louis; E. A. Hewett, Editor of *The Chronicle*; Charlton T. Lewis, Secretary of the Chamber of Life Insurance; and others.

The following is the account given by the *New York Express*:

In calling the Convention to order, the chairman, Hon. O. W. Chapman, said it gave him much pleasure to meet so many of his brother officers, representing the insurance interests of the several States, in convention, and that very many subjects of great magnitude and importance to the companies and the public would demand its earnest, careful, but conservative attention.

The magnitude of the questions may be partially comprehended when it is realized that the gross assets of the several companies whose supervision it is the special duty of the members of this association to superintend, will reach about \$800,000,000, and the amount of insurance in force ten thousand

millions of dollars. In the stability of the life companies alone over five million people are directly or indirectly interested, and including fire and marine, nearly the whole of our people of the country.

It was, therefore, of vast importance that the several Insurance Departments of the several States should meet and exchange opinions and compare practice with theories, assured that each Department may thus become uniform in its decisions and official actions, so that the unanimous resolutions or legislation proposed by this Convention should go forth to the Legislatures of the several States for adoption, if by them approved right and manifestly just.

It was also important that the reciprocal equitable rights of the several departments of the several States should be carefully considered and settled, so that a company having the official certificate of one State, and applying for admission into another, may know what it must expect, and not feel itself unjustly dealt with if admission is refused until it shall receive the examination and approval of the department of the State into which it seeks the right to do business.

The question, also, of the nature of the assets that should be held by fire companies especially will come up for serious consideration. It would seem, said the President, the result of experience that prudence decided that not over one-half of the gross assets of fire companies should consist of bonds and mortgages; that at least one-half should be invested in immediately available securities; that while bonds and mortgages are justly considered the most substantial of all securities, when properly executed, nevertheless experience has demonstrated them subject, through fraud or perjury, to be the most worthless. The spirit of the convention should be toward conservatism and the adoption of no untried innovation until its safety was settled beyond question—until experience shall enable the convention to take safely final action on all the various questions proposed.

The opening address of the Chairman was elaborate, and carefully and intelligently

presented. It occupied about one-half hour in its delivery.

At its close, the reading of the minutes of the last Convention, held at Boston, was, on motion of Deputy Rhodes, of Massachusetts, postponed, it being in print.

The Chairman said that in order that the credentials of those entitled to be present might be examined by the Executive Committee, and that the names of all the delegates might be laid before the chair, from wherein the committees might be made up, it would be advisable that a recess should be taken until 2½ o'clock. This suggestion, on motion of Deputy Rhodes, of Massachusetts, was then moved, but its adoption temporarily delayed, that a special committee from the Detroit Board of Underwriters might extend to the Convention and the Press, the hospitalities of a sail on the adjacent river to-morrow afternoon. This being done, responded to, and adopted by the Convention, the morning session adjourned.

AFTERNOON SESSION, 2½ P. M.

After the appointments of the standing committees for the ensuing year, the question of State taxation was called up and partially discussed; the final settlement of that important question, however, was laid over. Commissioner Nye, of Maine, offered a resolution against taxing gross premium receipts as is now done in some of the States, which was also laid over for the day, after discussion by Commissioner Doyle and several others.

The committee on uniform blanks made a long report in favor of the new balance sheet blank now recommended. This report criticises many items of claimed receipts which in fact are not received though sworn to—and generally tends to requiring a description of the items of income and expenditures of the companies in addition to that now given. Deputy Commissioner Rhodes, of Massachusetts, said that he hoped an amendment would be made requiring the companies to specify the items of profit made from lapsed and surrendered policies. This created quite a breeze and brought to their feet three Actuaries, Peet, of Pa.; Bryant

and Howey, of Mo.; as also several members. It was evident Mr. Rhodes unintentionally touched a tender point that would call forth the best efforts of the guardians of the life companies to cover. In view of the stir, Mr. Rhodes said he would postpone further consideration of the question until some subsequent day of the Convention. This was the elephant of the day, and will hereafter be re-discussed throughout the United States.

Actuary McClintock, of Milwaukee, presented a long pamphlet report on the real cost of life insurance, which was received and laid over.

The Convention then adjourned until 10 o'clock Thursday morning.

SECOND DAY'S PROCEEDINGS.

The President, O. W. Chapman, of N. Y. was in the chair. The Committee on State Taxation were called upon to present their views. Mr. Smith, Chairman of the Special Committee of the N. W. Board of Underwriters, submitted in writing the opinion of that organization. It was long and exhaustive, upon the reciprocal rights of corporations of one State to do business in another State, subject only to the same taxation or supervision as is required of home companies, and assumed that no State had the right legally to exclude any foreign corporation, complying with the laws, from admission and the right to do business.

The gist of this branch of the report was that every company, under the guaranteed reciprocal rights of the Constitution of the U. S., had the unrestricted right to do business in any State, subject only to the same laws as govern home companies of the States respectively, and that restrictive acts or discriminations are illegal and void.

In this connection, restrictive taxation in all foreign companies was illegal and should be resisted.

This report will be given in full in the proceedings of the Convention.

In the call for the further remarks on the subject of State taxation, Mr. Charlton Lewis, in behalf of the Chamber of Life Insurance, submitted an extended and well

digested view of the whole question of the legality and policy of State taxation of Insurance Companies, urging the members of the Convention to throw their united influence in favor of the abolition of all insurance taxation as wrong in principle, impolitic, and oppressively inequitable.

The principle of insurance, he said, should be encouraged, for it resulted in the prosperity and protection of the people; and the practice of taxing the companies for money paid for insurance was not only a burden upon the industries of the people, but also self-evidently inequitable and unjust, as much so as to tax the merchants for money for goods sold, or any similar business transactions.

The practice of taxation was on the increase. Even cities and towns were assuming sovereign powers and requiring tolls at the gates through which the premiums were forwarded, to pay for damages through loss of life or fire. The result of these increasing taxes correspondingly increased the cost of indemnity to the public and was discriminating, prejudicial to the fostering of the adoption of the prudential necessity of insurance. It was opposed to the interests of the people, and was rapidly reaching the heart of the safety of the companies. The remarks of Mr. Lewis were elaborate. He said Legislatures were apt to think that taxes should be demanded of insurance companies for the support of the protection of State Governments the same as any other business, but that as to the proper form of that taxation or extent he did not feel fully satisfied upon, and would be glad to hear more upon the subject.

Mr. Hewett, Jr., editor of the *New York Chronicle*, took the floor, and maintained the doctrine that the States doubtless had the right, and certainly the power, to demand taxation of the insurance companies. His illustrations were pertinent, and produced a decidedly favorable impression upon the members of the Convention as to the inequitable, as claimed, subject of State taxation of insurance premiums for paid insurance.

At the close of this address Commissioner Row, of Michigan, said the question was an embarrassing one to manage for the Superintendents. Companies collected millions of premiums annually, the most of which was taken East, and there invested, especially the life premiums, to the prejudice of the development of the West, protection given to them by the States respectively in which they sought to do business.

Insurance companies were private corporations seeking the privilege of doing business and collecting premiums out of the resident citizens of the several States, and for that privilege they should pay an equitable *ad valorem* tax. What, that value was, he would not even indicate. He would merely present the fact, and leave to the Convention the solution of the enigma—for such it truly was. If the taxes were upon gross premiums, it would violate that principle of the Constitution of the United States prohibiting any State from passing *any* law affecting contracts. The companies had about \$16,000,000,000 of promises to pay in force, for which the rates were fixed in these policies, and could not be increased.

If by taxes these premium receipts were materially reduced, it would result in the inevitable, ultimate bankruptcy of those companies. Stock companies had rated their premiums to about par, and if the burden of taxes was laid upon the premiums, the stock companies, at least, would be unable to meet those policies or promises of indemnity issued. It was, therefore, a life and death question with many of the companies, this burden of taxation, and demanded the serious attention of the Convention.

The question of taxation was discussed more at length by several members, and finally laid over for future action.

THIRD DAY'S PROCEEDINGS.

In the Convention to-day, the President, O. W. Chapman, appointed the following additional committees:

Assets and Investments, Russell and Morrow; Rates of Mortality, etc., Barnes and Stedman; Taxation, Deposits and Fees,

Rhodes and Russell; Legislation, Nye and Russell; Miscellaneous Questions, Barnes and Row.

The Committee on the Amalgamation of Life Insurance Companies reported the following resolution:

Resolved, That in order to prevent evils resulting from amalgamations, it is the unanimous opinion of the members of this Convention that the laws of any State which permit any life insurance company to re-issue any risk authorized to be taken by any other company, should be so amended as to prohibit any such re-insurance after six months from the time such risk was first taken, except with the written consent of the policy-holder.

It was contended by some that great good had resulted from some amalgamations or re-insurance, while by others an equal amount of evil was the result. Commissioner Nye, of Maine, took the ground that it was not only evil, but that it was clearly illegal. He stated that complaints were pouring in to him almost daily in his State from policy-holders for some relief; that policy-holders in one company found themselves sold out to another without their knowledge or consent, and that, unless they sanctioned the transfer by the payment of the renewal premiums to the purchasing company, their policies were declared forfeited. He mentioned one man who laid before him such a complaint the day he left, who had been bargained and sold three times, and was now informed that another sale had taken place. These life policies were thus the subject of barter and sale in the market, to those who would give the most to somebody certainly not in the interest of the insured. The evil was serious and on the increase, and should be stopped by legislation. A well managed company does not sell out, and a poorly conducted one transferred is an injury to the purchasing company. Amalgamations cannot be done in justice to either company.

Commissioner Rhodes, of Massachusetts, said the Legislature of that State had checked or restrained wholesale re-insurance not precisely as he would have advised, yet effectually. He favored the consent of the

Superintendent, and of a Supreme Court, as a prerequisite right to re-insurance. It would thus be placed in the hands of intelligent minds, more capable than policy-holders to judge of the best thing to be done. Mismanagement was the cause of all failures. The premiums were abundantly high. It was the fault of the officers that companies were obliged to re-insure, and it should not be left to such derelict management to sell out to another equally bad or worse managed company.

Mr. Harvey, of Me., said the resolution was equivalent to prohibition, and presupposed evil only was the record of amalgamations. This he thought was too severe; that some good had resulted. Neither was it always the result of bad management. He knew of one case where a company was legislated into bankruptcy, the company having a 6 per cent. reserve only, and a 4 per cent. being called for necessitated its sale. He thought that when the risks and premiums showed recuperative powers, though it had only a 6 per cent. reserve, it should be allowed to go on and not be compelled to re-insure or be forced into bankruptcy. The report of the same committee to the last convention was received and approved by Mr. Harvey as sound.

E. W. Bryant, of Mo., said the evils had not exceeded the good in his opinion, and that no company should be obliged to re-insure or stop, if it possessed a 6 per cent. reserve, and that if it had a 6 per cent. reserve and \$100,000 additional for possible sudden reserve deficiency below that mark, it should be allowed to do new business but not to pay dividends until it possessed a 4 per cent. reserve. Many affirmative arguments were submitted by Mr. Bryant on this idea, and as an antidote to the present evils of amalgamation.

Commissioner Russell, of Kansas, opposed the resolution, because, in effect, prohibitory. There were evils, but also good, and he was opposed to any additional legislation inasmuch as we had too much of it already.

This resolution would enable any stubborn policy-holder to prevent the closing up of any company, and he did not believe in such

individual sovereignty. In fact, he was opposed to popular sovereignty. To this latter remark Mr. Commissioner Nye said he was decidedly in favor of it—to the fullest extent; that he thought the people could be safely relied upon for a correct decision upon all questions.

Supt. Smith, of Ky., said he was in favor of the resolution, fully believing the evil was greater than the good.

Mr. Bryant again affirmed the solvency of any company with a 6 per cent. basis of reserve, yet he would preclude the payment of any dividend until a $4\frac{1}{2}$ per cent. standard was reached.

Some of the Commissioners advocated the re-insurance for such a proportionate amount as the assets would pay for in paid-up insurance, or that paid-up policies should be substituted in the place of those in force in insolvent companies to an amount that its assets would pay for.

LAST DAY OF THE CONVENTION.

Saturday the Convention adjourned *sine die* after adopting resolutions stating that taking mortgages to secure stock subscriptions is unlawful, and adverse to the interests of the insuring public; that taxation of the aggregate receipts of insurance companies is wrong; that the usual return of companies in their annual statement of assets should not in any sense include the company's own stock or loans on it, or stock in any other company of the same character, office furniture, supplies, money advanced agents on premiums, more than three months overdue; recommending that laws be framed to prohibit re-insurance after six months from the time the re-insured risk was taken, except upon the written consent of the policy-holders; and fixing upon New York as the next place of meeting in September, 1875. The following officers were elected: President, O. W. Chapman, of New York; Vice-President, S. H. Row, Michigan; Secretary, Oliver Pillsbury, New Hampshire; Executive Committee: Julius L. Clark, of Massachusetts; G. W. Smith, Kentucky; John M. Forster, Pennsylvania; Edward Russell, Kansas; Joshua Nye, Maine.

Protection Against Extraordinary Fire Risks.

The *Merchant and Banker*, of New York, of a late date, contained an editorial upon the above subject which was practical and to the point. It claimed that the fundamental postulate of insurance, to whatsoever subject matter directed, is loss; and the legitimate aim of all insurance companies, especially of fire and marine insurance companies, disregarding which their existence is not defensible, is the distribution of losses. It was aware that with many, perhaps the large majority of persons engaged in the business of insurance, this is not the accepted philosophy, but that insurance is legitimately a money-making business, in the same sense that manufacturing and other industrial institutions are; and that the primary object of insurance companies, while paying such losses as occur, is to make dividends to stockholders. It did not want to be understood, however, as supposing that any one will engage in the business of insurance without a prospect of getting at least an average return upon the investment; nor did it imagine that the motive inducing the creation of insurance companies could be any other than that of making such profit; but what it wishes to inculcate is, that it is the too common practice of insurance managers to seek immediate dividends at the risk of permanent safety, and that such safety can be secured only by taking the broadest view of the risks of insurance and by making a certain sacrifice of dividends to provide against a class of losses not now generally included in insurance calculations. We have earnestly combated this unwise greed on all suitable occasions, with the full conviction that it is of most pernicious tendency; and that unless practically abandoned, will lead to as disastrous results in future as it has hitherto done. There is no foundation whatever for the philosophy; and the sooner we all come to realize and act upon the fact that insurance companies are merely the accepted means, devised by

modern experience, of distributing losses, so as not to fall with crushing weight upon individuals, the better it will be for us. It would seem that a proposition so plain as this would need no enforcement; and yet there are companies which habitually disregard it, and make dividends that cannot fail in the long run to insure their destruction.

The same paper, in the article referred to says: "With respect to fire insurance companies, we hazard nothing in saying that the system, as a whole, as developed in the city of New York, has been unremunerative; that taking the entire number of companies now and previously in existence, there has been more money lost than made by them. For want of proper statistics, in former years, the precise facts in regard to this matter cannot now be ascertained; but enough is known to render the position assumed not a doubtful one. We are aware that there are some apparent exceptions to this rule, but the exceptions are more apparent than real when the whole case comes to be considered. Some companies have had the good fortune to escape the effects of destructive and sweeping fires, and are therefore in the temporary possession of nominal profits. These companies, however, if they pursue a legitimate business, are exposed to future calamities of the kind referred to, which when they do occur sweep away their accumulated profits and reduce them to the condition in which all others at times must find themselves."

In this it is quite correct, and it is still further correct in holding that insurance companies can and do guard themselves, in the conduct of their business, against ordinary hazards; but against extraordinary hazards of a sweeping and destructive character, such as the Chicago and Boston fires of 1871 and 1872, they cannot guard themselves. The force of the competitive principle, as fire companies are now managed, renders this result certain, the rates charged being governed wholly by the ordinary hazards. These sweeping fires must occur in the future as in the past, and it may be doubtful whether they can ever be wholly

prevented. Whatever may be the ultimate result, the present portentous fact is that in every city in the land the elements exist for these destructive fires, and not to expect their occurrence is folly. It follows, therefore, that however prosperous and strong a company may be made to appear from its paying large dividends, yet it constantly stands exposed to calamities which may sweep away its whole assets, thereby sacrificing not only the stockholders but also all its outstanding policies. It may be said that this very exposure to annihilation necessitates and justifies the payment of large dividends, as a set off against these peculiar risks; but the question arises whether it is not better that there should be a continuous partial reservation of profits to insure the continuance of the business of the company and to continue in force such of its policies as can be protected, in the event of overwhelming conflagrations?

Life Insurance in Illinois.

The following is the number of policies issued, premiums received and losses paid in Illinois by the Life Companies doing business therein during 1873, as reported by the Insurance Department of that State:

Name of Company.	No.	Prem's rece'd.	Losses paid.
<i>Local Companies.</i>			
Chicago, Chicago.....	305	\$48,694	\$19,062
Mutual, ".....	178	52,863	27,699
Protection, ".....	3,465	60,174	131,440
Republic, ".....	331	90,724	46,872
Safety Deposit, Chicago	627	13,933	None.
Teutonia, ".....	820	57,705	16,500
Total.....	5,726	\$324,093	\$241,573
<i>Other State Companies.</i>			
Ætna, Hartford, Conn.	817	\$296,767	\$133,713
Alliance Mutual, Leavenworth, Ks.....	18	392	None.
Atlantic Mutual, Albany, N. Y.....	20	3,627	1,000
Berkshire, Pittsfield, Mass.....	25	12,716	None.
Brooklyn, New York, N. Y.....	152	12,844	1,000
Charter Oak, Hartford, Conn.....	701	251,825	54,345
Connecticut Mutual, Hartford, Conn.....	539	666,417	202,040
Connecticut General, Hartford, Conn.....	43	7,440	None.
Continental, Hartford, Conn.....	.....	17,043	7,000

Continental, New York, N. Y.....	301	61,804	22,000
Equitable, New York, N. Y.....	422	297,958	64,000
Germania, New York, N. Y.....	58	68,645	37,207
Globe Mutual, New York, N. Y.....	319	111,056	19,895
Hartford Life and Annuity, Hartford, Conn.	45	17,620	None.
Home, Brooklyn, N. Y.	126	31,328	29,200
Homœopathic Mutual, New York, N. Y.....	30	1,832	None.
John Hancock Mutual, Boston, Mass.....	75	18,903	6,000
Knickerbocker, New York, N. Y.....	49	Not rep'd	31,128
Life Ass'n of America, St. Louis, Mo.....	260	128,458	89,163
Manhattan, New York, N. Y.....	40	Not rep'd	14,125
Massachusetts Mutual, Springfield, Mass.....	170	134,076	22,500
Merchants, New York, N. Y.....	101	2,342	None.
Metropolitan, New York, N. Y.....	186	3,490	2,500
Missouri Valley, Leavenworth, Ks.....	50	12,028	None.
Mound City, St. Louis, Mo.....	55	2,759	2,000
Mutual, New York, N. Y.....	1,005	596,614	119,860
Mutual Benefit, Newark, N. J.....	134	157,422	91,889
National, Montpelier, Vt.....	34	17,761	6,000
National U. S. A., Washington, D. C.....	170	21,678	2,103
New England Mutual, Boston, Mass.....	145	103,000	25,500
New Jersey Mutual, Newark, N. J.....	.....	12,549	5,000
New York, New York, N. Y.....	564	173,516	84,622
Northwestern Mutual, Milwaukee, Wis.....	660	297,203	62,946
Ohio, Cleveland, O.....	.....	.....	.....
Pacific Mutual, Sacramento, Cal.....	1	3,364	None.
Penn Mutual, Philadelphia, Pa.....	31	13,152	9,000
Phoenix Mutual, Hartford, Conn.....	147	67,276	24,705
Security Life and Annuity, New York, N. Y.	102	56,911	2,150
State Mutual, Worcester, Mass.....	19	7,680	8,000
Union Central, Cincinnati, O.....	257	17,319	2,000
Union Mutual, Augusta, Me.....	201	64,243	18,200
United States, New York, N. Y.....	121	21,737	28,000
Universal, New York, N. Y.....	288	30,422	10,600
Washington, New York, N. Y.....	170	99,628	23,984
Total.....	8,651	\$3,925,825	\$1,263,366
Grand aggregate.	14,377	\$4,249,918	\$1,504,939

MINING AND METALLURGY.

The Old "Soggs" Mine.

A company was incorporated in this city a short time since under the name of the Nevada Gold Quartz Mill and Mining Company, to work the Nevada Quartz or Old Soggs mine, from which over a million of dollars were taken before the present owners took possession of it. This mine is situated on Deer Creek, Nevada County, California, and has quite an eventful history. The mine, as located by Charles Marsh, E. E. Matteson and Dr. McIntyre, was 1,300 feet in length, and was turned over by the Bunker Hill company, as it was called, to Soggs and others, in 1851; and the waters of Deer Creek and its tributaries were located and taken up and used April, 1851, by Charles Marsh and others. It was worked about 2,000 feet from the present mill, and the ore crushed by a steam mill, with good results. Subsequently the Nevada company purchased 700 feet on the north end, being induced to do so from their having taken out some \$40-rock from a tunnel run in on the Nevada. Subsequently the Nevada company purchased 1,000 feet of the old Bunker Hill ground, and also the water right. They put up the present mill, and from three tunnels run into the hill took out something over a million of dollars.

When the original Bunker Hill company failed in their work it was supposed that the mine was of no value, and was not worth accepting as a gift. As before remarked, however, after the ledge had been located farther north and tried, it was found to be valuable. The mill put up by Soggs, Van Pelt & Green, for a half interest in the ledge, was run successfully for several years.

They got money enough from the mine to buy out the other owners, and when it was known that the Bunker Hill was the same ledge, the mill site, water wheel and flume of that company were purchased, and a new mill put up in 1860. About this time the company was incorporated as the Nevada Quartz Mining Company. Nelson Soggs was the superintendent from the time the first mill was built up to 1864, when he resigned, on account of ill health, but the mine is still known as the Soggs mine.

Up to date no cross-cuts have been made in the mine, and it is the general opinion that if this were done more rich discoveries would be made. Although a large ledge with ore averaging \$20 per ton right through, the mine failed to pay after 1867, and was shut down until July, 1871, when John Berry, the present superintendent, took charge of it. He found the ground badly caved and the mine expensive to open. He began an incline near the mill, and at a depth of 80 feet found some promising ore. At 105 feet he started a level, and took out some fine ore, although some still remains. On this level there is a drift running north 90 feet, and one about the same length south. Ore has been taken from both drifts that was rich in fine gold and sulphurets.

Leaving this stand for future use, they commenced sinking, and at 217 feet opened a second level and ran a drift 124 feet south. Here the ledge was broken, but the walls were wide apart. Having a worn-out mill and poor hoisting works, the ore was left and a drift started north for the pay chute in the old mine. This drift is 630 feet long; the first 150 feet turned out some good ore and a large quantity of low grade ore,

which will pay if assorted. In the face of this drift there is a promising looking ledge, fifteen feet thick, which is increasing in size and quality as the distance and ground correspond with the old works. It is believed that this is the foot of the old pay chutes. From this drift to the old lower tunnel, 227 feet, some of the ground has been stoped, and it is expected to furnish ore for the 15-stamp mill for several years. From the 217-foot level they have sunk 162 feet, the most of the way through a ledge varying from three to ten feet, being seven feet at the bottom, with no permanent walls in sight. A drift north from this bottom level is still being worked in ore. The north side of the ground is broken, but carries good ore. This mine connects on the south with the Providence, in which mine they are working a body of ore varying from 25 to 40 feet in thickness. This body has pitched south between the 300 and 500-foot levels, but at the 600-foot level it is pitching north, which is the regular pitch of all the pay chutes on the ledge. It is expected that this will eventually run into the Nevada ground 200 feet deeper than the Nevada shaft is now run.

The old Nevada or Soggs mine, with all its vicissitudes of fortune, is now in a first-rate condition for work under the new company. Within the past two and a half years there have been put up on the creek a new stone dam, 1,200 feet of new flume, etc. New hoisting works with hoisting and pumping machinery have also been put up. The mine has two good pumps. The machinery is run by a hurdy gurdy wheel and free water power, of which the company own the oldest right on the creek. Within the past two years there have been put in operation 15 new stamps, two patent rubbers and six concentrators, all of first quality, and the mill will crush 30 tons of ore per day when running to its full capacity. The batteries are fed by self feeders with hoppers that hold eight tons each. Everything about the mill and mine is in good order. The mill is also run by a 32-foot overshot wheel.

The Providence mine, adjoining the Nevada, is valued at half a million. It has a

20-stamp mill and is now adding ten stamps more, which will make it as large as the mill on the Idaho. The Wyoming near by had a six-stamp mill and is adding 10-stamps more, making 16. All these mills are within a radius of an eighth of a mile, making 61 stamps, all run by water power. The yield of the Nevada mine for the first nine days of last month was \$2,232.75 or \$249 per day, so the old mine is beginning to recover its position as a producer. The company have paid out \$60,000 since 1861 for labor and machinery, the mine paying nearly all the expenses. Nevada City is said to be more prosperous to-day than she has been in any past time.—*Mining and Scientific Press.*

The Ruby Mine Fraud.

The following is a synopsis of the result of the inquiry before the Lord Mayor of London, into the charge against the San Francisco Ruby Mine syndicate, as reported in a recent number of the *London Times*:

This precious trio is headed by Mr. Herman Hynemann, the alleged owner of the Ruby gold mines in California, which he sells preliminarily to himself, his brother, L. D. Hynemann, and a Mr. Harmont, as a syndicate. Mr. H. Hynemann agrees to sell the mine to the syndicate for £60,000. The same property was then re-sold to the Ruby Mining Company for £286,000. (A Mr. Del Banco appears at this stage.) After getting £60,000, at which the mine was put in, Mr. H. Hynemann was entitled to his share of the difference between these sums, which was to be divided between the syndicate in different proportions, so that if all the capital which was asked for had been subscribed, this Mr. Hartmont, who, for some reason that we have not seen, was to have realized at the very outset, and before a single dividend was paid, the sum of £131,250 in cash or shares. These gentlemen were unaware of the meaning of the "Companies Act of 1867," which is to be invoked in the future against such concealments as followed in this individual instance. A prospectus was issued for the purpose of inviting

subscriptions and procuring share-holders. In this no mention was made of the earlier contract, and, indeed, so secret was the affair, that in the opinion of the Lord Mayor, before whom the examination was held, that not only the share-holders, but the directors and solicitors of the company were also ignorant of the transaction. Mr. Hartmont, be it known, became the managing director of the company.

His Lordship, upon being satisfied that these facts were established, held that the concealment was a concealment according to the Act of 1867, as the Act makes it imperative to specify in a prospectus all dates and names of all parties prior to, and to any contract entered into by the promoters or directors of the company before the issue of the prospectus. Whether the Lord Mayor was right or not is a mooted question still, and will be until the trial comes off to which the parties were committed.

During the examination of these parties, which has just terminated, facts were brought to light in relation to companies' schemes and tricks that will shake the little confidence that remained in favor of companies. When a company is to be brought out, one of the earliest steps is to procure directors whose names may serve as an earnest to the public of the good faith of the undertaking. Perhaps the first thing to which intending share-holders look in a prospectus are the names of the directors. Naturally, great confidence is reposed in the judgment of men of credit and reputation, and their position as directors is taken as an assurance that they think well enough of the concern to embark their money in it. It never occurs to those who are not versed in such matters that the names may mean nothing more than that the gentlemen in question have consented to accept certain salaries and perform certain duties without investing a shilling, and with full indemnity against any risk they may be supposed to undertake in the adventure. Unfortunately, however, it is a fact that in some companies the directors are selected as being men of sufficient position to attract share-holders to the company, and some men of position are

not ashamed to accept in return for such services a number of fully paid-up shares, on which there is, of course, no liability, together with the promise of a salary, and sometimes a sum in cash.

Where a company's constitution requires that directors should own a definite amount of stock to qualify them for that office, compliance with this regulation is easily provided by the presentation of the needful shares without payment, and, of course, no mention of the circumstances in the prospectus.

In the case of the Ruby Mining Company, Sir George Bowyer, one of the directors, stated in the course of his examination as a witness, that shares had been given to him gratuitously as a qualification, and that he was told it was the usual course. Upon this the Lord Mayor requested further information, not being himself familiar with any such practice. Sir George Bowyer then said that when a gentleman was asked to act as a director to a new company, it was understood that his qualification was to be found, and added that he joined the Board never intending to put a farthing into the company, and of that he made no secret. No mention, however, of this transaction appeared in the prospectus. Indeed, it would not be difficult to predict the number of shares that would be subscribed for in any company if its prospectus announced that the directors had received money or its equivalent for the use of their names, and that they themselves had nothing to lose if the scheme did not succeed.

Such proceedings are not only possible but common on both sides of the water. Until a sifting takes place, and companies show perfect integrity—in other words, to divest themselves of all men who will consent to such terms of barter; until then, it is not to be wondered at that such investments are looked upon with suspicion. Many become alarmed without knowing the reason of their alarm.

The growth of companies has given rise to a class of men who make it their profession to preside at the birth and perform the function of *accoucher* to as many bantlings

in the shape of companies as possible; and there never will be a lack of directors as long as commercial usage is invoked in support of selling names as you might sell any other commodity in the market.

Booming.

BY R. S. MORRISON.

[From the Colorado Review.]

Within not more than three seasons, Placer mining in Colorado has been almost revolutionized by the adoption of what is called the Boom System in the washing of the pay dirt.

From the original discovery of Gold in the Western States, several separate kinds of machinery have been used, each based upon the use of water as the only available medium of separation but differing from each other in the quantity of dirt which with a given amount of water could be washed at the same expense or in the same time.

To name them in their order, there was after the Pan, which can hardly be called a piece of machinery, (1) the Rocker, (2) the Long Tom, (3) the Sluice, (4) the Flume, (5) Hydraulics and (6) and last the Boom. This is a progressive series, each being an improvement on the previous plan and rising in their capacity from the Rocker, which could only deal with a few barrow-loads, to the self-acting Boom, which, with the proper assistance of Hydraulics and Flume can dispose of hundreds of tons in a day. Perhaps neither the Boom nor the Hydraulic can be treated as new methods of washing the ore which is effected in the boxes of the Sluice or Flume, but they are substantial improvements in the matter of bringing the dirt into the Flume, where of course it is dealt with upon the same principle which is applied in all diggings, the precipitating power of water and the affinity of gold for quicksilver.

The Rocker and Tom have long since done their work, the discovered diggings being already mostly exhausted in the rich spots where alone such contrivances can be profitable; the Sluice Box is by no means dispensed with, and as before stated the Boom

and Hydraulic are not designed to supersede the use of the Flume but to add to its capacity and act in connection with it; but this combination of a Flume in connection with the system of booming with or without a Hydraulic pipe possesses such tremendous power in handling heavy deposits with rapidity and cheapness that it will always be the preferred plan if not the only plan where sufficient water with sufficient fall can be obtained.

The theory of the Boom is based upon the well known fact that the force exerted by running water against the banks or against any obstruction, increases where the velocity is increased, but in much greater proportion than the given amount of increased velocity—such increase of force, it is said, even amounting to the sixth power of the velocity. For instance, double the velocity of the current say from five to ten miles an hour, and the force is increased sixty-four times. That the force is *greatly* increased is self evident, that it is increased out of all proportion to the velocity is also plain, but that it increases at such a tremendous ratio seems so incredible that we are inclined to question the experiment upon this point, although it is laid down on good authority (Dana 635). At all events, whether this scientific statement is or is not mathematically correct, the fact remains that an increased current adds vastly to the cutting or erosive power of water.

This being the theory, the water, instead of being allowed to run in a steady stream as in the ordinary sluice-box, is dammed up in a reservoir, where it is allowed to gather a greater or less time according to the amount of the supply, some booms gaining a sufficient "head" every ten minutes, and where the quantity of water is small the time required being sometimes as long as forty minutes or an hour for the filling of the reservoir.

The reservoir being full the gate opens and the water runs through a short gate-box and out upon the bank or cut where it is to operate, with the force of a cataract, and at the outstart with a sudden and characteristic "boom," from which sound it

derives its most appropriate name. This noise of the sudden rush of the pent-up waters can be heard at a great distance, and where the head is very heavy it is well that it is quickly let off. It is as exciting as it is sudden; and as it reaches the flume, carrying with it soil, gravel and rolling boulders, which go tumbling down the boxes clear to the dump, it cannot be better described than as "a torrent under strict control."

But the excitement of letting off a boom, while as interesting as a pleasure sight to a stranger, means hard work and strict attention to the miner. The force of the water, though great, is wild and needs management, and perhaps often seems to be doing more execution against the hard banks than an examination afterwards would disclose; it must be aided and guided by labor, and so the pick and shovel are both at work while the flow of water is operating to loosen the banks, to undermine, to throw the heavier boulders into the center of the stream, to remove old obstructions, or to shovel the dirt from the sides into the current so that it can be carried into flume boxes.

In connection with a good hydraulic, a boom with a good head of water and a self-acting gate, such as we shall presently mention, is as perfect a combination as can well be imagined to carry out the purpose designed. It is as fine a union of human skill, with natural and artificial power, as any piece of steam machinery, and in its results has produced heavy yields and good pay, where before its introduction the ground could hardly be made to produce the cost of the summer's work. In this connection it must be recollected that the Gulch mining is restricted to from 4 to 8 months in the year, and in Dry Gulches sometimes to even less than 4 months, so that every month of work must produce to the hand much more than wages to cover the lost time and expense of annually renewing and fitting up the workings.

(To be continued.)

Is Mining a Legitimate Business?

We have often heard the assertion made that mining was not a legitimate business, but simply a speculation. We beg to differ with all who are inclined to entertain this belief. There is really no foundation for the assertion that mining operations are purely speculative. We have watched quartz mining almost from its incipency in America, and we have seen less failures in that branch of business than any other, where experience, judgment, capital and business tact have been brought into requisition.

We are aware that there are idle mills and smelting furnaces throughout the entire mining regions of the Rocky Mountains and Pacific Coast; but before condemning mining as a legitimate branch of industry would it not be well to inquire why so many reduction works are lying idle? There is a cause and a good one too. Capitalists, and in many instances men without capital, but with plenty of cheek, have erected mills and furnaces without regard to location, accessibility to mines, or other surroundings. Furnaces have been built remote from mines, charcoal, flux, etc. Mills have been erected a great distance from mines; at points almost inaccessible to the mines of a district; at places where wood and water were scarce, and finally where there was not sufficient quartz in sight to justify the erection of an arastra. The result has been disastrous to the reputation of the mines and to the finances of a majority of the projectors of the works. Would a good business man anticipate a different result? We think not. We are of the opinion that a shrewd man would not build and furnish a first-class hotel in a locality where there was neither regular nor transient patrons, and only a bare possibility that there ever would be any. No sensible merchant would build a fine wareroom and fill it with a large stock of goods, at a point where there were but half a dozen persons and no probability that there ever would be any more. Yet these are analogous cases.

But there are still other causes why many quartz mining enterprises have proven disastrous. Good mills and furnaces too have been erected where quartz was both rich and abundant, and all necessary adjuncts to successful reduction easily obtainable. Many of these have also proven an incumbrance to their owners. The explanation is easy. These works have been managed by men who had no knowledge, or at least but an imperfect knowledge of reducing ores. Another class of superintendents are those who lack business or financial ability. Surely no sane person would trust his life in the hands of a quack doctor, a litigant an important case to a numskull lawyer, nor business man his affairs to a clerk whom he knew to be incompetent to discharge the duties assigned to him. Yet these identical persons will purchase a quartz mine, erect a mill or furnace and employ a man to run it who knows comparatively nothing about the kind of machinery required or the process necessary to make the ore pay. They give the mill a trial, and in three cases out of five there is bitter disappointment. Without stopping to investigate where the fault lies, the stockholders meet, declare that the mines are worthless, appoint some man to look after their property, and there the matter rests.

But there are some thoroughly competent business men and experienced manipulators of ores who have charge of reduction works who fail. It is not their fault. It is the fault of miners. They mislead themselves by having picked specimens of ore assayed and upon that basis take out a few tons, have it reduced at a good mill, where it does not yield according to their exalted ideas, based upon the aforesaid assay, when they declare they have been swindled or that the mill is worthless, throw down their mining implements and wait for some one to buy them out. The result is there is no rock to crush and the mill stops.

One of the principal reasons why so many mines have not met the expectations of their owners is that they have been managed badly. Incompetent managers employ less competent men to work the mines, who go at it

in such an unskillful manner that the cost of mining the ore is more than double what it should be. Notwithstanding the fact that there have been so many failures in mining, the cause thereof can generally be traced to mismanagement. In looking at the matter dispassionately we are not astonished that there have been so many failures but that there have been so few. We firmly believe that when men use the same calm judgment and business tact in mining enterprise that they do in other pursuits, mining will become as safe and profitable an investment for capital as merchandising and banking.
—*Helena Independent.*

The Physics of Metallurgy.

At the annual meeting of the Societe des Ingenieurs, which lately took place in Paris, the retiring President, M. Molinos, briefly reviewed the progress of the past year, and gave place to his successor, M. Jordan, who then delivered an interesting lecture on the metallurgy of the future, viewed mainly in its physical bearings. *Iron* gives the following substance of this lecture :

We have certainly all remarked that, as the metallurgical arts have progressed, the more has the science of fire assumed importance in their operations ; and to the man who can develop and utilize the highest temperature, honor and profit are justly awarded. We have witnessed many efforts in this direction. An incessant duel has been going on between fire and the refractory matter treated ; and the duel recalls another which is equally being fought out on the metallurgical arena (for, in truth, it is industry that here operates, rather than the military art)—the duel between artillery and armor-plates, which calls forth the most delicate resources of the metallurgist and the smith. In this Homeric duel, which has already had so many phases, the superiority, up to the present, rests with the attack ; the ball has always at length triumphed over the plate ; and it seems to be the same in the battle between fire and refractory matters, of which I now speak.

Most of the metallurgical apparatus in which heat is developed and utilized belong to two great categories, blast furnaces and reverberatory furnaces. The high or blast furnaces are among the oldest instruments of the metallurgist; iron, lead, copper, tin, were formerly produced only by such. The reverberatory furnace has come to displace the blast in the refining of cast iron and the manufacture of copper. More recently the blast seemed to have taken revenge, since the invention of the Bessemer process; but through the genius of the Siemens the reverberatory furnace presently regained the lost ground in siderurgical work. At present the Bessemer converter, fed with compressed air, and Martin-Siemens reverberatory furnace, heated by gas and with natural draught, concur, or rather lend mutual support, in modern steel works. The two apparatuses are two types to which may be referred all possible means, known or yet to be discovered, for obtaining high temperatures.

The more one analyses the marvelous invention of Bessemer, the more is one struck with the manner in which it came forth "fully armed," so to speak, from the head of its happy inventor. When, in 1856, the celebrated lecture "On the Manufacture of Iron and Steel without Fuel," was delivered to the British Association at Cheltenham, a completely novel and most fruitful idea was thrown into the industrial world. The heating in the converter is done simply by intermolecular combustion of the elements of the iron itself, this combustion being at a pressure higher than the atmospheric, and the utilization of the heats thus produced in the heart of the metal is direct and immediate. The bath absorbs it at first hand and yields only a small part to the walls of the apparatus.

Mr. Siemens' system of heating is quite different. It is by no means of combustible gases, produced by distillation and imperfect combustion of the coal. [Mr. Jordan briefly describes the process.]

The temperature obtained in a furnace heated by gas on the Siemens system, or by other like systems, cannot exceed certain

maxima, which I will endeavor to appreciate. The experiments of our eminent chemists, MM. Saint Claire Deville and Debray, have shown that if we bring together, in the proportion exactly necessary to form water, the two gases, hydrogen and oxygen, at ordinary pressure, taking care that none of the heat produced is absorbed by the walls, the maximum temperature really obtained is only about $2,500^{\circ}$, instead of $6,903^{\circ}$, the number Peclet got from calculation. This is readily explained by the fact that only half of the hydrogen has entered into combination. At $2,500^{\circ}$ steam has a tendency to be decomposed, equal to the affinity hydrogen and oxygen have at this temperature, or (in more scientific language) at $2,500^{\circ}$ the tension of dissociation of steam is equal to the atmospheric pressure. Whatever, then, the initial temperature of the two gases brought together, we can never obtain from a temperature of combustion higher than $2,500^{\circ}$ (or $2,800^{\circ}$ according to Bunsen). But if one could produce the combination of a higher pressure—two, three, four, or more atmospheres—we are warranted by past experience in saying that the proportion of gas entering into combination would increase, and the temperature of combustion be raised, in proportion to the increase of pressure.

The temperature of total combustion which Peclet determined by calculation for carbonous oxide and oxygen, is $7,059^{\circ}$; but the tension of dissociation of the carbonic acid formed is already pretty strong (according to M. Deville, about $1,200^{\circ}$). The temperature at which this tension is equal to atmospheric pressure, that is to say, at which carbonous oxide and oxygen can no longer combine, has not, I know, been determined experimentally; but it is certainly below $7,000^{\circ}$, and probably below $3,500^{\circ}$. The presence of nitrogen also, if the combustion takes place in air, has the effect of diminishing the temperature. Thus (notwithstanding the respect I entertain for the great name of Faraday), I doubt if it would be possible to obtain a temperature of $3,850^{\circ}$ C. in a furnace heated by the combustion, by means of air at ordinary pressure, of a gas containing itself more than two-thirds of inert elements.

Mineral Resources of Texas.

A recent report on the mineral resources of Texas states that the iron deposits of northwestern Texas are of the most remarkable character, equaling in extent and richness those of Sweden, Missouri, New Jersey, and New York. They include almost every variety, magnetic, spathic, specular and hematite ores. The largest deposits of magnetic iron ores are situated in Mason, Llano, and more western counties. Immense loose quantities of ore lie scattered over the surface which have been upheaved by igneous agencies from unknown depths below. Most of these deposits are in true veins. As no true metallic vein has ever been traced downward to its termination, the supply is inexhaustible. The analysis of an average specimen gave 96.890 per cent. of oxide of iron, with 2.818 per cent. of insoluble silicious substances, proving it to be magnetic oxide, which will yield 74.93 pounds of metallic iron to the 100 pounds of ore.

The coal-bearing rocks of Texas are reported to occupy an area of not less than 6,000 square miles, embracing the counties of Jack, Young, Palo, Pinto, Eastland, Brown, Comanche, Callahan, Coleman, and extending to the territory of Bexar. The rocks contain the characteristics belonging to the coal measures of Missouri and other Western States. In general appearance this coal resembles that of Belleville, Illinois. The analysis gives: Fixed carbon, 52 per cent.; volatile matter, 36 per cent.; ashes, 3 per cent. It cokes with a great flame, without changing its form. The development of this valuable mineral is destined to be of great importance to the State.

Anthraxes, lighter and more brittle than those of Pennsylvania, have been found in various parts of the State, but I had no opportunity to visit the localities. Lignites, tertiary and other coals of more recent origin, occupy an area of 10,000 square miles—in connection with the true formation—at many points on the Rio Grande, in Webb, Atascosa and Frio Counties. They

are mostly soft, sulphurous and ashy, but superior to German brown coals.

Copper is reported as covering a large area of country, and as being almost inexhaustible in quantity, and will afford a vast fund of wealth for generations to come. A large portion of the counties of Archer, Wichita, Clay, Haskell, Territory of Bexar, counties of Pecos and Presidio, extending to the Rio Grande, is filled with immense hills of copper ore, some of which has been thoroughly tested, and will yield on the average 55.40 per cent. of metal. Through some particular localities specimens have been found as rich as 68 per cent., containing beside some silver, oxide of iron, etc.

Explorations of the copper veins over the summits and sides of the hills, justify the conclusion that within the extent of one degree of longitude, along the Little Wichita River, hardly a tract of 160 acres could be found without large accumulations of ore upon the surface. The vein leads are parallel with the strata, but there is sufficient evidence that they partake of the nature of true veins.

Lead and silver are reported as always associated together in this State. The calciferous sand rock, which is the lead-bearing rock of Missouri, abounds in Texas, and the varieties found in it here are carbonate of lead, sulphuret of lead, and molybdate of lead. The former two always contain such large quantities of silver as to be considered silver ore. A sample from a three-foot vein in Llano County gave a yield of 286 ounces of silver, 74.45 per cent. of lead. It is the carbonate of lead in combination with the sulphuret, and, owing to the large percentage of the former, will be very easily reduced. The indications are very favorable for a large quantity and excellent quality of ore. With a well-developed mining industry established here, no other country could compete with this region, so far as regards fuel, construction timber, and materials for building and sustaining a railroad.

Besides these minerals, leads of manganese, cobalt, nickel and bismuth are often met with. The copper ore contains only 25 per cent. of impurities, is far superior to the

ferro-sulphuret of copper, or copper pyrites generally worked for in England, and in native copper ores, as found at Lake Superior. It is easily smelted, and the strata in which it is found is more easily excavated than any other in which copper ores occur.

Petroleum springs occur over a space of about fifty square yards in Hardin County, and it is probable that larger supplies may be obtained by boring.

Engineering Two Thousand Years Ago.

Perhaps some of the most remarkable remains of ancient engineering are those which were discovered by excavations made some ten or twelve years since, a short distance from Rome, and near the ruins of the ancient city of Alatri. This city was surrounded by massive walls, and located on a mountain or elevated point and ill-provided with water. About 150 years before Christ, as we learn from a Roman inscription, an immense aqueduct was built to bring water from a neighboring mountain better supplied with that element. We are furthermore told that this aqueduct was 340 feet high, supported upon arches and provided with strong pipes. The topography of the country, moreover, assures us that the water supply could not have been conducted into the city, even over such high supports, except by pipes—an inverted syphon—the lowest point of which must have been some 340 feet below the point of delivery, or under a pressure of at least ten atmospheres. The excavations already alluded to show that the aqueduct must have been of large size, as the piers of the arches are not less than five feet nine inches in breadth, while the total length of the syphon must have been between four and five miles. The question naturally arises—How, and of what material was this syphon built? As iron pipes of large dimensions, if of any dimensions at all, were not known at that era, we must either look to masonry or wood work for the material of such construction. Possibly a clue has been found to the mode of their construction by a subsequent discovery,

near the same locality, of a field, supposed to have been the site of an ancient parade ground near this once walled city of Alatri. A complete system of underground drainage has been revealed at a depth of about seven feet below the surface of the field, effected by a well constructed system of pipes made of fire clay, each about eighteen inches in diameter. It is possible that such a pipe of larger dimensions, and strengthened on its exterior by a massive bulwark of masonry, may have been the means of conveying the water into the city. But however that end might have been attained, the work was most certainly a wonderful feat of engineering, considering the condition of the mechanic arts of that early day. The excavations and discoveries thus brought to light and so fully confirming the truth of the ancient inscription, were conducted by order of the present Pope, and under the immediate supervision of the well known Italian scientist, Father Secchi.—*Mining Journal*.

Mining near Placerville.

A correspondent of the *Bulletin*, writing from Placerville, says: The halcyon days of placer digging are gone forever, but "the honest miner" still lives and flourishes about Placerville. At least 20 drifting-claims are being worked. In some the gold is extracted by simply washing in an ordinary sluice box; in others, where the gravel is more cemented, it requires crushing by stamps before the process by washing is commenced. The auriferous gravel belt, lying about Placerville, covers an area of 12 miles in length with two in width. The depth of the gravel lying upon the ancient river bed is about 150 feet. The great bulk of this is lava-capped, varying from a few feet to several hundred feet in depth. This requires to be worked by the hydraulic system—the precipitation of the vast columns of water from a high elevation upon the gravel bed. I saw one of those monsters in operation at the Excelsior mine. The water, ejected through a 6-inch nozzle, rushed in a mighty torrent against the hard, gravely

hillside, plowing huge furrows through it, sending a shower of stones whizzing through the air, detaching large boulders, and eating its way like a hungry cormorant into the very vitals of the mountain.

The companies working in this vicinity are "close corporations." They manage their own affairs and keep their own counsels. They do not appear on California street. They do not ask the general public to share their profits or help them pay their assessments. They are close-mouthed men, but by dint of considerable pumping I gained some scraps of knowledge. I learned, among other things, that a single company—the El Dorado Water and Deep Gravel Mining Company—an association of San Francisco capitalists—employ at least one thousand men in hydraulic mining, the construction of flumes and ditches, and the building of reservoirs. The main ditch, commencing at Sportsman's Hall and ending at the confluence of Alpine Creek with the south fork of the American River, will be 26 miles in length. It will be about five feet wide at the bottom, thirteen feet wide at the top, and six feet deep. It runs through a dense forest of pines nearly all the way, over a terrible rough country, across deep canyons, over precipitous bluffs, along the sides of almost bottomless ravines. There are tunnels to cut, and chasms to bridge and wild gorges to carry flumes across, and a thousand obstacles of nature to overcome. But with the best engineering talent and plenty of money the work is pushed vigorously forward and will be on toward its completion before the winter snows set in. When this is done the company will be in a position to command the enormous volume of at least 2,000 inches of water for the washing of the auriferous beds. And this water will then be available for the irrigation of a large section of country now consumed by the long summer droughts.

—A coal mine has lately been discovered on a tract of land known as the Sobrante, situated on the San Pablo Creek, about four miles from San Pablo. The land is in litigation.

Quicksilver.

[From the Morning Call.]

SAN LUIS OBISPO COUNTY.

Finding my letter describing some of the quicksilver mines in San Luis Obispo County was accepted, I will give you a description of two or three more. First, is the Pinal mine, located in the Salinas District. This mine has been worked by running an open cut some forty feet, when there commences a tunnel running some thirty feet further in. This shows small feeders of cinnabar, and by continuing the tunnel one hundred feet they will reach the ledge, judging from the outcrop on top. There is also an open cut on top of the mine, in which I found seams of rich ore, some of very high grade. The claim is fifteen hundred feet long by six hundred wide, and has a fine spring about two hundred feet from the mouth of the tunnel, with plenty of wood for all mining purposes. The mine is about to be worked by parties from San Francisco, and I feel confident they will develop a fine mine.

The Oceanic mine is in the same district, and is in the hands of parties in San Francisco, having been bonded by Dr. Cochran, who is now working it. The work thus far consists of three tunnels, run into the mountain to strike the ledge. The parties holding this mine have great expectations of making it one of the best mines in the country. This mine, I am informed, has been incorporated. I find in one of the tunnels of this mine a formation that I think has never been found in any other quicksilver deposit. It consists of a conglomerate gravel, or cement, composed of pebbles, and on breaking the pebbles the centre is rich in cinnabar of high grade.

The next mine that I visited is the Josephine, which has been extensively worked. It has a furnace, and at the time of our visit they were making brick of the ore by mixing it with clay, and when thoroughly dried they are put in the furnace and burned. The quicksilver becomes vaporized and passes off in a gaseous form to the condenser, where it becomes quicksilver the

same as sold in the market. The process of making the ore into bricks is necessary, from the fact the ore in some cases is too fine to work in a furnace as it comes from the mine. This mine, I am informed, is paying well.

In my first letter I stated that Mr. Warren T. Lockhart had bought the Santa Cruz mine. He has now completed a fifteen-ton furnace, and has a large force of men at work getting out ore, and I find that my first description of the mine is far short of the present development. They have at this time an immense quantity of ore uncovered.

Truly yours,

TRAVELER.

—The "Sonoma Democrat" says: "The developments in the Oakland mine, in this county, places Cinnabar District in the first rank of the quicksilver-producing sections of this State. The recent rich "discovery," makes all connected with the mine of interest. On the 18th of March the Lost Ledge, as it was then called, was leased to the present superintendent, E. A. Robinson, for two years, for the sum of \$225 per month, with the privilege of purchase during the first year for \$30,000, or during the second for \$40,000. Robinson let E. W. Roberts have a half interest and they incorporated the mine as the Oakland Quicksilver Mining Company. Of the 300,000 shares 5,000 were reserved as a purchasing fund. Work was commenced on the 10th of April with a small force of four or five men. They now work a force of forty men, have six retorts in operation, and are producing one hundred flasks of metal a month. The main tunnel is into the hill 113 feet, from which side drifts have been run east 36 feet, west 30 feet. They have in operation a crusher, run by steam power, with a capacity for crushing one hundred tons in twenty-four hours. There is also completed 400 feet of railway from the tunnel to the retorts. The ore in the ledge, which is ten feet wide, is of the richest character of cinnabar, running from fifteen to fifty per cent. metal. The walls of the ledge are well defined, and the clay lining appears between the ledge and both the

upper and lower walls. In the centre of the vein the ore is richest, running in places as high as sixty per cent. There is every indication of an inexhaustible supply. The present development is sufficient to place the Oakland in the first rank of quicksilver mines in this State. Splendid specimens from this mine are now on exhibition at the Petaluma Fair. The superintendent, Mr. Robinson, is one of the most practical and energetic men in the District, and is withal a most agreeable gentleman."

A Rich Strike.

We have lately been shown some of the richest specimens of gold-bearing rock we have seen for a long time. The rock was taken from a shaft sunk on the Sagamore ledge of the Forbestown Quartz Mill and Mining Company. This Company, incorporated some time during the past summer, has several thousand feet of claims in the vicinity of Forbestown. Only two ledges, however, are being worked at present—the Honey-Comb and Sagamore. The shaft on the latter is down about sixty feet, showing all the way well defined walls, and bearing every indication of a true fissure.

The vein is eight feet wide, and the rock, until now, has averaged ten dollars per ton, which, owing to the character of quartz, has been made to pay fifty per cent. with a five-stamp mill. A short time ago a deposit of very rich ore was reached; all the rock, much of it a kind of decomposed quartz, showing more gold than anything else, and all of it immensely rich. One piece weighing one hundred and six pounds contained twenty-seven pounds of gold. One of seventy pounds was still richer. At least a hundred thousand dollars has been taken out of this single "pay strike," and the end is not yet. Of course this can not last always, but the Company will realize enough from this strike to put up a twenty-stamp mill and pay all expenses for a long time, and they have in sight ore enough in the eight foot vein to run the mill a year. Mr. D. W. C. Story, the President of the

Company, is making arrangements to put up the mill and push forward the work rapidly. He feels assured if they never find any more such rich deposits, that there is a fortune for the Company in the eight foot vein of ten-dollar rock.

Mining Notes.

—San Francisco capitalists are making arrangements to work the quicksilver discovered on Mount Diablo about eight or nine years ago.

—A gravel claim, near Eureka, which paid well in the old works, several years ago, is now being re-opened by Chase & Dickerson, with good prospects.

—The Ukiah *Dispatch* understands that the quicksilver discovery on Dry Creek, being opened by the Henshaws and others, is making a handsome showing. Two hundred tons of rock were taken out by five men in 10 days, and the pile has been estimated to likely yield about \$40,000.

—The Belcher yielded \$975,663 during the month of August. The *Virginia Chronicle* says that this one mine produces more bullion in six months than the whole of Utah in a year, and more than Colorado in a year and three months.

—Fine gold is found in the bars of the Little Salmon River, about 25 miles from Fort Shepherd, where \$10 to \$15 a day to the hand is being made with the rocker. Quite a number of claims have been taken up.

—The new machinery for the Justice Mining Company, on the Comstock, is being made fast to the solid rock, by means of bolts, holes being drilled in the rock for the purpose. This will make a very solid foundation.

—E. Wise has the controlling interest in a valuable mine, the Amarillo, in Mendocino County, 12 miles north of Cloverdale. He has struck a chimney of ore in sandstone formation which yields from 9 to 20 per cent. metal. The company have 32 men at work and are grading a site for the erection of a furnace.

—There has been a great amount of good work done on the Rattlesnake during the summer. We visited the mine this week; Mr. DeNoon was absent. We were very kindly treated by Mr. Brown, who was in charge. Mr. Nicholis, superintending the erection of a furnace, conducted us over the work. The capacity of the furnace is 20 tons of metal or 30 tons of adobe per day. The reduction will soon commence.—*Sonoma Democrat*.

—The mineral resources of Monterey Co., which have so long lain dormant, are now attracting considerable attention, and mining bids fair to become one of the leading industries of our people. With the legends that have been handed down from the last century, which mysteriously mention the working of fabulously rich silver mines, we will not deal in this article; but from the remotest period within the memory of the oldest inhabitant, these legends have been repeated, and numerous have been the exploring expeditions fitted out for these hidden or lost mines, but they have as yet met with no success. But while some have sought for lost mines, others have found new mines, many of which are proving to be of great promise. The recent discoveries go to show that our county is rich in valuable minerals and plumbago; cinnabar, coal, silver and gold are proved to exist in several sections of the country, and the sand and gravel deposits of Monterey are noted the State over, for their superiority to any found elsewhere on the Coast. The existence of this sand will yet lead to the establishment here of large glass works; and the granite quarries of Monterey and Carmel will in time give employment to several hundred workmen. The Crystal Lime Quarry, near Natividad, is probably the best paying mine in the county (except the Sand-Bank, if it is proper to call it a mine). This mine is worked by Messrs. Barbour & Brand, under lease from the owners, and is producing the finest quality of lime.—*Scientific Press*.

COMPARATIVE STOCK TABLE.

Showing total number of feet, shares per foot, total shares, total assessments, total dividends, etc., of all the leading stocks on the San Francisco Stock and Exchange Board.

COMPANIES.	No. of feet in Mine.	No. of Shares to Foot.	Number Shares in Mine.	ASSESSMENTS.		DIVIDENDS.		Amount Assessm. per share	Amount Divide's per share	Last Assessm. Date.	Last Dividend Date.	Latest Price.
				No.	Total Am't.	No.	Total Am't.					
PHILADELPHIA DISTRICT.												
Belmont.....	2,600	15 1/2	50,000	8	\$175,000			\$3 50		Aug. '74		\$4 87
El Dorado South.....			40,000	3	160,000			4 00		March '74		2 75
WASHOE.												
Alpha Consolidated.....	300	100	30,000	6	180,000			6 00		April '74		11 50
American Flat.....	65	48 5/8	25,000		30,000			1 00		March '74		8 00
Bacon Mill and Mining Co.....	1,700	43 3/4	54,000	6	337,500			6 25	\$7 39	June '74	July '71	7 37 1/2
Baltimore Consolidated.....	1,040	100	104,000	20	600,400	27	184,849	6 35	128 00	April '74	Aug. '74	63 7 1/2
Belcher.....	224	100	22,400	9	136,192	28	13,217,200	6 08		Aug. '74	Feb. '71	23 00
Best and Belcher.....	3,600	41 1/2	15,000	11	156,000			9 50		June '74		23 00
Buckeye.....	2,500	10	25,000	45	1,802,000			72 58		Aug. '74		23 00
Bullion.....	5,000	4	20,000	11	400,000			20 00		Aug. '74		8 00
Caledonia.....	2,800	10	28,000	4	602,000	39	3,080,000	21 50	110 00	Aug. '74	Feb. '73	55 00
Cholar Potosi.....	130	192	24,000	10	243,200	6	78,000	9 75	3 12	March '73	May '65	10 50
Confidence.....	1,160	320 1/2	108,000	16	482,000	4	1,296,000	20 42	12 00	March '73	Aug. '71	80 00
Con. Virginia.....	34 1/2	758 1/2	20,000	1	15,000			75		Sept. '73		2 75
Con. Gold Hill Quartz.....	600	166 1/2	100,000	21	623,370	45	12,070,000	6 23	120 70	Aug. '74		60 00
Crown Point.....	2,000	12	24,000	47	646,000	2	50,000	26 50	2 33	Feb. '74	May '74	74
Dancy.....	70	437	25,000									
Eclipse.....	75	666 1/2	50,000	14	312,500	21	713,500	6 85	14 27	Jan. '74	May '67	7 00
Empire Mill.....	400	20	8,000	10	205,000			25 00		March '71		5 00
Exchequer.....	1,200	40	48,000	22	1,481,600	35	3,826,800	30 20	79 72	Feb. '74	April '74	18 25
Gould and Curry.....				13	212,000			10 50		July '74		2 25
Globe Consolidated.....				42	1,350,000	36	1,508,000	80 02	99 87	July '74	April '71	44 00
Halo and Norcross.....	400	40	16,000	19	970,000	30	1,067,500	9 70	10 67	July '74	June '67	2 50
Imperial.....	184	15	30,000	18	348,700			11 75		June '74		2 50
Julia.....	3,000	7	21,000	10	381,000			14 00		July '74		8 00
Justice.....	2,000	18 1/2	37,200	3	83,700			2 25				
Jacob Little.....	45	43 1/2	30,000	11	240,000	32	1,252,000	8 00	41 73	Oct. '73	March '70	13 00
Kentuck.....	1,200	20	24,000	8	156,000			6 50		March '74		3 00
Knickerbocker.....	3,600	40	50,000	2	50,000			1 00		May '71		62 1/2
Lady Bryan.....	1,200	10	30,000	4	171,000			4 50		June '74		1 75
New York Consolidated.....	800	37 1/2	30,000	6	187,500	1	20,000	6 25	66	Feb. '73	March '68	3 00
Ocidental.....	1,400	12	100,800	28	1,916,600	22	1,394,400	19 75	83 00	March '74	March '64	17 00
Ophir.....	1,200	31 1/2	38,000	29	1,506,488			97 61	83 00	July '74	June '69	27 00
Overman.....	800	20	16,000	12	1,388,000	52	4,160,000	86 75	200 00	June '74		75 00
Savage.....	100	40	6,400	14	212,800			33 25		July '71	June '68	68 00
Segregated Belcher.....	3,000	62 1/2	20,000	38	600,000	11	102,500	30 00	5 12	Aug. '74	Jan. '71	22 00
Sierra Nevada.....	5,400	10	54,000	3	332,000			8 00				5 00

Succor Mill and M. Co.	7,000	3	25,800	7	182,400	2	118,200	7 50	May 74	1 87½
South Constock	2,000	20	40,000	1	12,500	.....	.....	0 5	May 74	.....
South Overman	.....	.....	21,630	10	76,100	.....	.....	3 15	July 74	.....
Senator	.....	250	5,000	7	5,000	.....	.....	1 00	Nov. 73	4 00
Trench	20	25	20,000	6	70,000	.....	.....	3 50	July 74	13 00
Union Consolidated	800	.....	20,000	7	80,000	.....	.....	4 00	May 74	4 00
Utah	1,000	20	28,000	4	140,000	.....	.....	3 75	June 74	4 00
Woodville	1,200	.....	24,000	17	1,578,000	25	2,181,000	73 25	March 74	Aug. 74
Yellow Jacket	.....	.....	.....	.....	.....	.....	.....	91 00	March 74	Aug. 74
ELY DISTRICT.										
Alps	800	37½	30,000	7	97,500	.....	.....	3 25	May 74	.....
American Flag	2,000	11½	193,000	3	193,000	.....	.....	6 00	Nov. 73	0 25
Chief of the Hill	800	37½	30,000	4	60,000	.....	.....	2 00	April 74	3 00
Hermes	1,000	.....	30,000	4	20,000	.....	.....	7 00	May 73	.....
Huhn and Hunt	3,000	8½	30,000	6	30,000	.....	.....	6 80	April 74	.....
Kentucky	1,000	30	30,000	7	175,500	.....	.....	5 50	March 74	.....
Meadow Valley	21,023	62½	60,000	7	210,500	19	1,320,000	3 50	May 70	July 73
Newark	800	40	32,000	7	134,000	.....	.....	3 05	May 74	1 75
Page and Panaca	2,400	16½	40,000	6	140,000	3	60,000	3 00	March 74	Aug. 72
Pioche	1,000	20	20,000	8	100,000	.....	.....	2 50	May 73	5 75
Pioche Phoenix	1,000	40	40,000	.....	.....	23	3,075,000	102 50	Dec. 73	Sept. 73
Raymond and Ely	5,000	6	30,000	3	45,000	.....	.....	2 25	Aug. 74	9 75
Rye Patch	1,600	12½	30,000	4	57,500	.....	.....	2 50	March 74	2 25
Silver Peak	1,000	30	30,000	11	227,500	.....	.....	7 25	June 74	1 50
Washington and Creole	1,500	20	30,000	.....	.....	.....	.....	.....	.....	.....
CALIFORNIA.										
Bellvue	8,000	16½	20,000	9	105,000	43	1,110,730	5 25	Feb. 74	2 00
Cor. Amador	1,850	20	30,000	.....	.....	.....	.....	35 07	April 73	.....
Cedarberg	1,200	42½	24,000	.....	.....	76	1,394,000	2 00	Feb. 73	.....
Eureka	1,680	*12	25,000	6	70,000	.....	.....	104 70	Dec. 73	9 50
Independent	1,800	*14	.....	.....	.....	.....	.....	2 80	July 74	.....
Keystone Quartz	10,000	10½	.....	4	10,000	9	40,000	1 00	July 75	April 72
Yule Gravel	400	25	10,000	.....	.....	.....	.....	.....	.....	.....
IDAHO.										
Empire	.....	.....	25,000	6	125,000	11	421,000	5 00	May 74	2 75
Golden Chariot	750	13½	10,000	10	280,000	.....	.....	25 00	Aug. 74	Sept. 73
Ila Elmore	1,300	47½	10,000	13	310,000	6	60,000	31 00	Feb. 74	Sept. 70
Mahogany	750	*14	10,000	13	234,000	1	15,000	24 40	Aug. 73	Aug. 72
Minnesota	1,070	*18½	20,000	6	110,000	2	30,000	5 50	May 73	Sept. 73
Red Jacket	1,400	12½	20,000	1	20,000	.....	.....	Nov. 73	Nov. 73	2 25
South Chariot	600	43½	20,000	9	300,000	.....	.....	6 50	March 74	12 50
War Eagle	1,000	10	10,000	6	80,000	.....	.....	7 00	July 74	2 50
EUREKA DISTRICT.										
Adams Hill	.....	.....	50,000	5	40,000	.....	.....	80	Aug. 74	.....
Columbus	.....	.....	50,000	2	62,500	13	625,000	1 25	April 75	.....
Eureka Con	.....	.....	50,000	7	57,500	.....	.....	10 00	June 75	July 74
Jackson	.....	.....	50,000	14	850,500	.....	.....	1 15	May 74	.....
Phoenix	.....	.....	50,000	.....	.....	.....	.....	7 00	.....	.....
WHITE PINE.										
Hayes	1,000	40	40,000	6	38,000	.....	.....	95	July 74	0 75
Mammoth	1,800	20	36,000	15	84,000	.....	.....	2 35	July 74	.....
Or. Hidden Treasure	800	20½	21,333	9	287,935	1	31,999	13 50	Sept. 73	June 70
Totals	.....	.....	802	.....	\$25,358,213	641	\$50,708,693	.....	.....	.....

*Nearly. †Over.

FINANCE AND TRADE.

How to Get Rich.

According to the eloquent but rather unthrifty Wilkins Micawber, this important conundrum is solved by the assertion that a man should earn more money than he expends. Wilkins proved the negative of the proposition by an improvident and impecunious condition of life, until in his latter years he emigrated to a sheep farm in the Australian bush. His flocks grew and multiplied, the income from them increased and as it came only once a year, he had little opportunity to spend it. In this way he grew into a prosperous farmer.

His earlier doctrine was good, but for want of practice, left him a bankrupt and a beggar. The same thing happens with individuals and families all the time, and all over the country. It happens quite too often among us now, and it is well to ask the reason why. Why are there more people suffering from the pinches of poverty now than there were ten or fifteen years ago? Why is it that the people of this Coast—a land almost flowing with milk and honey—are now suffering from the burdens of debt? The first answer is that we have neglected Mr. Micawber's practical philosophy. We have fallen into the habit of living too fast, and believing that fortunes should be won in a day, instead of by the care and toil of years. The war made many rogues and some honest men immensely rich, and many people think there are chances of the same kind still left for them. The great fortunes that have been amassed by a few in the gold and silver mines of this Coast have inspired thousands with the notion that they could reap like results in a like venture, and the speculation has too often ended in disappointment and financial ruin.

These things have had a bad influence, but there is a deeper reason for our present embarrassment, and this reason shows the only proper and radical remedy for the evil. Coming right home to our own State, we find that a minority of the people, by the labor of their hands or brains, have to supply not only themselves, but the great majority, with food, raiment and shelter. This is not so much the fault of the majority as it is of a labor system which is so badly contrived that it leaves thousands of willing hands without an opportunity to supply their hungry mouths.

It is not that any are in danger of starving. We produce food enough to supply ten times our population. But that is the very trouble. We produce too much food. We grow poor because we have too much to eat. "Man does not live by bread alone," says the good book, and we know it to our sorrow. Extravagance and fast living among the rich have by example bred many artificial tastes and wants among the people, and the hard-working farmer finds his wheat and corn transformed into elegant furniture, dresses and nick-nacks.

But this is not the worst of it. Our surplus products are sent to the markets of the world at a ruinous expense, almost consuming themselves in freight and charges. How can the wasteful course be remedied, so as to leave the producer some decent compensation for his hard toil? First, by cheapening transportation, and second, by so diversifying our industries as to give employment to more hands, and drawing in a large population from other countries, thousands of skilled laborers to transform our raw material into shapes suited to the wants of the

civilized community, thus creating a home market for a large portion of our surplus food-product, saving double freight and keeping our money at home. Before we can be thoroughly prosperous we must do more manufacturing, not only in San Francisco but in the towns and villages throughout the country.

A Lesson to Prodigals.

The recent celebration, by the Pioneer Associations of their twenty-fifth Anniversary, and the consequent reflections upon their early lives and the present condition of many of them, may help us point a financial lesson. Most of these men have, at some time during these twenty-five years, been the possessors of large sums of money, or owned real estate of considerable value; all of them, as the years went by, have had fortunes within their grasp; not one but with a little economy might to-day be living in affluence. A tithe of the vast sums that have passed through their hands, or have been recklessly squandered would suffice to give their families comfortable homes and render them all independent for life. But how few of them are even in comfortable circumstances. It is a melancholy thought that the men who risked all for gold, those who first reached the New El Dorado, did not secure the prize. They were the men who are known in every land as free, bold, generous souls, who gave no thought for the morrow and asked no return for the immense sums so lavishly distributed among their associates. Their generosity and nobleness have been the theme of the orator and poet wherever unselfish deeds have been mentioned. But the "flush times" have passed away. The stalwart miner has come to dwell, in his old age, within the haunts of civilization as poor as when he landed on these shores; with bent form and diseased body he comes to dwell among those he has enriched, those who shared the rich prizes which he, as one of a forlorn hope, could not secure. He sees the monuments to his own prowess, and listens to the pæans sung in honor of his triumphs. But he soon comes to know that human nature loves to deal in

abstractions. Millions are freely lavished in celebrating and perpetuating the memory of the bold pioneers, while the boldest of all that gallant band may be starving in the street. The shouting rabble do not heed the shrunken form and bedimmed eye. Children are taught to revere the memory of the intrepid pioneers, but are scarcely chided when they taunt and jeer the decrepit old man who was among the noblest of that gallant band.

Though they came to seek gold, sacrificing home and society and every comfort for its sake, the old pioneers did not bow down to it when it was found. There were other things—honor, and courage, and free-heartedness, that were ever placed above it. The pioneer did not pretend to be good; he had a vague idea that the only good people dwelt in populous cities, and in the old lands where church bells rang and school-houses abounded.

There must be some strange thoughts in these old men's minds when they come back to civilized life and find there, Gold sitting upon a higher throne and more devoutly worshipped than ever among those who sought it among the streams and hills of the Sierras: while those few noble qualities—honor and courage—that the miner clung to as a kind of connecting link between him and the civilized world are treated as of little worth. Had he been niggardly and mean, and had come back with hoards of money, no matter how gotten, he would have been a hero; but bringing only honor and the memory of generous deeds, he finds no welcome. Deplorable as the existence of such facts are, there is yet something in these demands of society that, no matter how selfish the thought, we are compelled to recognize as necessary to its existence. Society demands of individuals who have had opportunities of accumulating wealth, that they be at least self-sustaining. Reckless prodigality is, so far as its consequences are concerned, a venal sin. No matter how generous and unselfish the motive that prompts a man to squander money, society pays little regard to such virtues, and young men had as well understand, first as last,

that the men who encourage him in such a course are the very ones who will let him starve when his money is gone.

Let the generous high-spirited soul then stop and think before all his money is gone; let him not be deceived by "flush times." A few dollars laid by in a Savings Bank will stand him in better stead than all his boon companions.

The Rate of Interest as the Test of Civilization.

Under this heading the *Merchant and Banker*, of New York, of a recent date, has a very sensible article. It starts out as follows:

What is the best criterion of the degree of civilization to which a people has attained? Some promptly answer, 'The proportion of those who can read and write in the total population;' but this will not serve, for census figures are not always reliable, and literary instruction by no means secures commercial or political intelligence and prosperity. Others will say, 'The relative wealth of countries;' but this is very difficult to determine, and if ascertained the more important inquiry remains—in which countries is that wealth increasing and where is it growing less? Others still, will name the degree of religious devotion, the extent of virtue, the development of learning, the culture of art and science in various lands; but neither of these is practically available as a standard, since before it can be so applied it must itself be quantitatively determined.

It then states that there is, however, a test quantitative in its nature, self-determining, and for the most part readily ascertained. It is the average rate of interest actually paid for loans on good security. Not, of course, the rate sanctioned by law; for the only relation of this rate to that actually paid is commonly a tendency to heighten the latter by increasing the risk of the loan. The rate of 'pure interest' does not greatly differ in different countries and is not far from four per cent. The amounts demanded or offered and actually paid for loans above

this rate consist mainly of premiums of insurance on the risk the lender considers himself to take when he puts his property out of his possession. When it is remembered that confidence is a plant of slow growth, that it is developed by long experience and very quickly and easily destroyed, and that its development to such a point that premiums on risks of loan are nearly nothing, means that commercial practice and legal administration have convinced property-holders by experience that their property is secured to them through business honor or through the aid of law; when these great and grave facts are borne in mind, it is clear that the countries where interest rules lowest are the most civilized. The fall in the rate when a state of thorough security to property (which means personal liberty, commercial integrity and honest government) has been developed, is hastened and furthered by the immigration of capital from less civilized countries. To the land where he learns that his property will be secure, the owner in a country where he feels that his tenure of it is unsafe sends that property for investment; and the monetary centres of such lands overflow with capital seeking investment at rates astonishingly low, for the sake of the security expected. Hence, for all proper enterprises, in such a nation capital is readily obtainable at a price that permits a development of her resources compared with which the plausible schemes that politicians propose for Government to execute are as puerile as they are futile.

It then argues that there is one important lesson to be deduced from these facts, viz: that every one in the community, and every law-maker especially, can help or hinder among ourselves the development of such a condition. Every man who faithfully pays his debts and lives an honest life, helps to develop a great civilization and renders real service to his country. Every man who commits fraud or robbery, does more to destroy confidence, to increase the rate of interest, and to retard civilization, than two honest men can do to help it on. Every law that practically protects men in the possession of their own, operates to lower in-

terest and build up civilization; but every law that operates to make it less secure—tariffs, legal tender acts, etc.—raises the rate of interest and postpones the advance of civilization.

A Warning for Laborers.

Some general facts in reference to American securities in Germany, that have been going the rounds of the press, will illustrate very well a point we wish to make in the matter of individual investments. It is said that vast numbers of the working classes in Germany have, within the last few years, invested all their earnings in American securities. Being well pleased with previous investments in the Five-Twenty loans of this Government, they imagined, probably, that State, railroad and other kinds of bonds were all as good as United States securities. The result is that innumerable wild-cat stocks have been imposed upon the people and only now are they beginning to realize the utter worthlessness of what they had hitherto considered sound and secure investments. Shrewd railroad directors have been in the habit, lately, of taking to the German markets beautifully engraved certificates of stock that did not represent a greater value than the paper, and by collusion with German dealers have realized millions of dollars upon them.

We wish to call attention to the tendency of working people, with little or no financial ability, to speculate on their own account or invest their money upon their own judgment. We have seen much of this in our own country. Honest, hard-working men have for years worked hard to lay up something for a rainy day, refusing to deposit it properly in a Savings Bank, until in an evil hour a smooth-tongued agent comes along with a fictitious security—a railroad or some other corporation swallows up the earnings of a life-time and leaves the poor dupe not a cent for his old age. When will such people learn that in investments the advice of an expert is infinitely more necessary than in building a house or surveying a farm; and further, that such traveling bummers leave

the money markets and go into the country because their schemes are known to be worthless. The only safety for small investors is in Savings Banks.

The Duty of Bank Directors.

The Court of Appeals of Kentucky, in giving its decision in a case arising out of the unlawful appropriation of special deposits by bank officers, held the following language in respect to the duty of bank directors:

“It is certainly the duty of bank directors to use ordinary diligence to acquaint themselves with the business of the corporation and whatever information might be acquired by ordinary attention to their duties they might in controversies with persons doing business with the bank be presumed to have. Public policy demands that they shall not be heard to say that by reason of their gross negligence and willful inattention they were not apprised of that which the ledgers, books, accounts, correspondence, reconcilements, and statements of the bank showed to be true. It is not necessary in actions like these to bring home to the directors actual knowledge of the fact that the special deposits held by the bank were being sold and converted to its use by the officers having them in custody. It must suffice to show that the evidences of the practice were such that it must have been brought to their knowledge unless they were grossly or willfully careless in the performance of their duties.”

This is sound doctrine, every word of it. As it respects the public, bank directors are the responsible managers of banking institutions. They have the appointment of bank officers, and it is their duty not only to select the proper men for the service, but also to see to it that these men are faithful to their duties. They are officially pledged to give this amount of attention to the business, and any plea of ignorance based on a want of such attention is false in morals, and ought to be treated as false in law. When duty requires attainable knowledge, ignorance can never be innocent. Mere respectable figure-heads to grace a corpora-

tion and recommend it to public confidence are an official nuisance, that ought everywhere to be abated. No man can honestly assume a trust the duties of which he does not mean to perform.

—The Bank of Hollister is now in successful operation. It has a capital of \$200,000, and is officered by excellent men. This institution was incorporated in 1873, but has just recently commenced business. It will do both a commercial and savings business, and it offers to the people in and around Hollister all the facilities of a first-class banking house.

—On the 22d of last May, the Savings and Loan Society of Portland, Oregon, was incorporated. For some reason or another it did not get completely organized. Recently the institution has been re-organized under the name of the Hibernia Savings and Loan Trust Company, and has gone into business under favorable auspices. It has a capital stock of \$100,000, which has all been taken by well known business men of Portland. The President is Mr. Ellis Read, and Mr. H. E. Stuart is Manager. We believe this is the first Savings Bank that has ever been organized in the State, and if it meets with good success, as it doubtless will, it will lead to the organization of more throughout the State.

—There is a very good demand for money in this market at 8@10 per cent. on term loans and 1@1½ per cent. for call loans. The bulk of commercial business is at the inside rate. Large amounts on first-class city property are obtainable at 8 per cent. The demand for remittance continues good. There are fewer grain bills than last year, and coin has to take the place. Fortunately, the Mint is giving a good supply, having turned out over \$4,000,000 in the past month. Coin drafts are drawn on Atlantic cities at 45@50c per \$100; currency drafts, 9½ per cent. premium on gold; telegraphic transfers, ¾ per cent.; exchange on London, 49d for 60-day bankers' bills and 49½d for commercial bills; gold bars, 885@895; silver

bars, 3@3½ per cent. discount; Mexican dollars, ½@¾ per cent. premium; trade dollars, ¾@1 per cent. premium; silver coin, ¾@1 per cent. discount.

The Mammoth Savings Bank.

Of course, we mean the Bowery Savings Bank of this city, incorporated in 1834. There is no savings institution in this country, and, as we believe, none in the world that can show such magnificent figures. We present the following exhibit of the resources, liabilities to depositors, and surplus for each year, with the exception of the year 1860, since 1858, when the savings banks of this State were placed under the supervision of the Banking Department:

	Resources.	Liabilities.	Surplus.
1858.....	\$7,253,593.36	\$6,937,393.13	\$539,170.23
1859.....	8,274,445.46	7,818,143.20	456,302.26
1861.....	10,844,103.54	10,294,995.08	549,108.46
1862.....	9,816,471.80	9,173,033.68	643,438.12
1863.....	11,048,872.38	10,242,494.43	806,377.95
1864.....	13,278,250.67	12,179,187.51	1,099,063.16
1865.....	15,887,208.97	14,505,427.55	1,381,781.43
1866.....	16,821,017.64	15,189,746.74	1,631,270.90
1867.....	17,257,895.87	15,598,799.41	1,659,095.93
1868.....	17,456,359.96	15,644,748.11	1,811,611.85
1869.....	18,515,770.21	16,551,227.20	1,964,543.01
1870.....	20,656,804.43	18,599,300.47	2,057,503.96
1871.....	23,808,066.14	21,847,855.57	1,960,210.57
1872.....	27,075,700.72	25,106,821.33	1,968,879.39
1873.....	30,996,776.95	27,897,796.41	3,098,980.54
1874.....	30,517,503.88	27,179,955.59	3,337,548.29

These figures represent the condition of the bank on the 1st of January in each year for the above period of sixteen years, with the exception of the year 1860. Within this period its resources have increased more than four-fold, its liabilities in about the same ratio, and its surplus about six-fold. The number of its open accounts on the 1st of last January was 55,674. There are in the City of New York 44 savings banks, whose aggregate resources on the 1st of January, 1874, amounted to \$184,414,855, against \$170,998,796 due to depositors, having 473,102 open accounts and holding a surplus of \$13,023,576. The proportion of these aggregates for the Bowery Savings Bank is as follows: about one-sixth of the resources, about the same proportion of liabilities, about one-fourth of the total surplus, and about one-eighth of the open accounts. Not far from one-sixth of the whole savings-bank business transacted in the City of New York centres in the Bowery Savings Bank. Six such banks would represent the whole business now done by forty-four.

We have no doubt that if at least one-half of these forty-four banks were consolidated with the remaining twenty-two, and the latter were properly distributed in different parts of the city, it would be better, as well as safer for the interests of the depositors. Such a reduction of numbers would lessen the expense of the business by near-

ly one-half, as well as decrease the liabilities and perils of bad management. The machinery of a savings bank is such that the volume of business may be increased to almost any extent without anything like a proportionate increase of expense. All the expense of the business comes out of the depositors; and, hence, it is for their interest to cheapen the system as much as possible, while providing a sufficient number of banks to meet their wants in the matter of locality. A greater number than this is a positive evil in two ways: first, by unnecessarily adding to the expense of the system; secondly, by generating an unhealthy competition for business between banks. We have long been convinced that both in this city and Brooklyn the legislature has made a serious mistake in granting savings-bank charters far beyond the wants of the people.—*N. Y. Independent.*

Savings Banks of California.

The combined reports of these institutions for the terms ending July, 1873, and July, 1874, compare as follows:

July.	1873.	1874.
Deposits.....	\$53,346,032	\$63,020,505
Loans and investments	53,479,859	63,080,267
Earnings.....	2,879,862	3,125,268
Expenses.....	258,970	271,436
Reserve Fund.....	3,762,116	4,340,643
Cash on hand.....	2,796,204	3,760,040
Dividends.....	2,434,001	2,638,222
Depositors.....	68,579	77,784

The amounts due depositors at the various savings banks in the State compare as follows for a series of terms:

Term ending	City.	Interior.	Total.
January, 1866...	\$7,005,032	.....	\$7,005,032
July, 1866.....	8,670,165	.....	8,670,165
January, 1867...	10,358,888	.....	10,358,888
July, 1867.....	13,833,259	.....	13,833,259
January, 1868...	17,165,597	\$200,000	17,365,597
July, 1868.....	19,687,300	755,975	20,443,274
January, 1869...	22,342,508	1,476,024	23,818,533
July, 1869.....	24,773,078	1,989,061	26,762,139
January, 1870...	26,643,523	2,259,122	28,903,645
July, 1870.....	29,842,112	4,039,245	33,881,357
January, 1871...	31,289,550	5,236,359	36,525,909
July, 1871.....	35,541,507	6,357,219	40,878,816
January, 1872...	37,033,377	7,201,729	44,235,106
July, 1872.....	40,369,405	7,414,967	47,784,372
January, 1873...	42,474,935	8,956,391	51,431,326
July, 1873.....	43,731,410	9,614,642	53,346,052
January, 1874...	46,570,610	10,862,763	57,433,373
July, 1874.....	50,860,262	12,060,243	63,020,505

The dividends paid for a series of terms compare as follows:

Term Ending	City.	Interior.
January, 1868.....	700,000	20,000
July, 1868.....	842,590	30,000

January, 1869.....	993,250	52,070
July, 1869.....	1,183,112	78,374
January, 1870.....	1,321,698	116,404
July, 1870.....	1,446,823	203,496
January, 1871.....	1,490,019	217,813
July, 1871.....	1,592,022	317,974
January, 1872.....	1,705,351	396,114
July, 1872.....	1,712,090	393,857
January, 1873.....	1,818,403	469,898
July, 1873.....	1,918,352	515,649
January, 1874.....	1,957,026	566,655
July, 1874.....	2,045,842	592,380
Totals.....	\$20,726,581	\$4,030,604

The average amount of deposits to the credit of depositors for a series of terms compare as follows:

Term Ending.	City.	Int'or.	State.
January, 1868.....	\$716	\$516	\$712
July, 1868.....	756	620	750
January, 1869.....	748	583	750
July, 1869.....	775	472	740
January, 1870.....	765	430	721
July, 1870.....	804	472	741
January, 1871.....	854	493	771
July, 1871.....	888	488	788
January, 1872.....	882	471	778
July, 1872.....	939	472	814
January, 1873.....	922	485	800
July, 1873.....	894	482	774
January, 1874.....	903	490	782
July, 1874.....	911	544	809

We doubt whether the Savings Banks in any other part of the United States can show so high an average to the credit of depositors, an indication of a comfortable financial condition and general prosperity.

—Dividends were disbursed as follows during the month of August by local incorporations:

Name.	Rate.	Amount.
Bank of California.....	1 ¢ cent	\$50,000
First National Gold Bank...	1 ¢ cent	15,000
Merchants' Exchange Bank.	1 ¢ cent	10,000
Nat. Gold Bank & Trust Co.	1 1/4 ¢ cent	12,500
San Francisco Gaslight Co...	1/2 ¢ cent	50,000
Spring Valley Water Co.....	3/4 ¢ cent	60,000
Commercial Insurance Co.....	1 1/2 ¢ cent	3,000
State Investment Ins. Co.....	1 1/2 ¢ cent	3,000
North Beach Railroad Co.....	1/2 ¢ cent	5,000
California Theatre Co.....	1 1/2 ¢ cent	2,500
Giant Powder Co.....	1 1/2 ¢ cent	9,000
Pioneer Land & Loan Ass'n.	1 ¢ cent	1,169
Belcher Mining Co.....	\$3 ¢ share	312,000
Black Bear Quartz Min. Co.	30 ¢ ¢ share	9,000
Consolidated Virginia M. Co	\$3 ¢ share	324,000
Crown Point Mining Co.....	\$3 ¢ share	300,000
Totals.....		\$1,165,160

—The business at the United States Assay Office at New York for August presents some points of interest. The total amount of deposits received was \$1,080,000. Of this amount, \$720,000 was in gold, including \$547,000 in United States bullion. Of the \$360,000 received in silver, \$120,000 was from Colorado and \$100,000 from Utah. At this rate, those Territories will produce over \$2,500,000 during the year. There is no mention made of receipts of Nevada silver, and probably all not absorbed by the San Francisco and Carson Mints, is exported to foreign markets. Of the amount deposited at the New York office, \$780,000 was payable in bars and \$300,000 in coin. The amount transmitted to the Philadelphia Mint for coinage was \$778,000.

—The office of United States Assistant Treasurer at New York is no sinecure, judged by the amount of business transacted. The receipts for the month of August were \$48,890,000, of which \$12,058,800 was from duties paid on imports, a decrease of \$1,396,000 as against the sum received from the same source during the previous month. The disbursements for August were \$41,500,500, including over \$4,000,000 for interest. The balance carried over on account of the current month is \$117,439,600, which is over \$7,000,000 in excess of the balance at the beginning of the month. The business at a similar office in this city for the same month embraced \$3,015,000 receipts and \$2,157,000 disbursements.

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INSURANCE.

Retaliatory Laws.

Under the above heading the *Western Insurance Review* discusses at length the evil of the retaliatory law, and we feel that the argument and general tone of the article will bear reproducing. The main points accord with our views on the subject. The *Review* says:

"It is safe to say that, as a rule, it is the avowed object of all legislative acts, to protect the people in their rights, and to encourage industry and enterprise. And it may be said, further, the rights of individuals, corporations, communities or States cannot come in conflict with the rights of others. We speak of such rights as arise from the nature and constitution of things, and not creations of the imagination, or a narrow, selfish feeling, which would deprive others of the same liberties that feeling would monopolize to itself. The rights of men, corporations, communities and States, considered individually, are so separate and distinct that they do not clash. It is only when narrow, selfish feelings set up their claims, that a war of rights is waged. And so long as this war is perpetuated, so long

the industries and enterprises of the country are retarded in their progress, and the baneful effects tell upon the interests of all.

The case seems to be greatly aggravated, where legislation steps in and strengthens and perpetuates this warfare, when it should act as a peace-maker between contending interests. But when legislation becomes one of the contending parties, or both, the case is still worse, for the law defeats its own object, leaving the injured individual without redress or protection. Hence a statesman, in the highest sense of the term, becomes one of the most important and responsible members of civilized society. His duty requires of him something more than honesty of purpose. He should possess acute discriminating powers of mind, that he may see where the rights of one begin and where they end; and where one party overleaps the limits, he should be able to enact something better than the tit-for-tat remedy. He must rise above the retaliatory theory, or give up the high-sounding, comprehensive title he bears.

The retaliatory theory is but Modoc rule, a little refined, and it is time it was removed from our legislative halls if our representa-

tives have any claims to statesmanship. To continue the practice of this theory is a blighting comment upon the intelligence and wisdom of State legislatures.

We call attention to this subject at present, as the time is drawing near when the legislatures of the different States will meet to deliberate and pass laws bearing upon the interests of individuals and of the country in general. It is a matter upon which the people have, and claim, the right to speak, and to be heard.

In the business of insurance, retaliatory laws affect the interests of every man in the country, either directly or indirectly. And we think it would not be difficult to show that the effect is injurious to the morals of the community, as well as to the pecuniary interests of men generally. But we leave this phase of the subject to be treated by the casuists of moral science, directing our attention to grosser matters. And we are glad to know that we are not alone in lamenting the existence and the evils of retaliatory laws, and that the *Review* is not the only insurance journal that has spoken words of truth and soberness on this subject.

Taking the annual reports of the Superintendents of the different States, for the last year or two, we think there is, on an average, an awakening sense on the part of these officials in regard to the injurious effects of all retaliatory laws. The drift and spirit of these reports seem to oppose such laws, although, in some instances, the opposition is in a very mild and harmless form. There is an apparent hesitation in calling things by their right names. Perhaps this is to be accounted for on the ground that their official duties do not require them to look into the effects of law, but what it enjoins upon them.

Turning to the report of Commissioner Forster, of the Insurance Department of the State of Pennsylvania, we find much in it to commend. The drift and spirit of the report is in the right direction—calculated to purify and elevate the business, a consideration greatly to be desired.

In discussing the law of his State, which

imposes a tax of three per cent. and license fees on foreign companies, he respectfully submits that things are not called by their right name, and the reader's mind is consequently presented with erroneous ideas,—not intentionally, however, as we believe, but inadvertently. He says: "The act of 1873, establishing this department, dispenses with the license fee, but retains the tax on gross premiums, without discrimination between fire and life companies; thus affording a measure of relief to the companies of this State, sorely vexed by the retaliatory laws of other States, at an annual cost to the State of \$67,270.67, upon the basis of the revenue of 1873." This statement cannot be misunderstood. But the word *cost* is not used in any proper sense. How can it be said that this \$67,370.67, was a *cost* to the State? If the Central Railroad of that State, runs a train of cars from Philadelphia to Pittsburg, and on its way destroys \$67,370.67 worth of State property, or makes it necessary for the State to pay that sum, on account of the train running, there would be some propriety in calling it cost. But if it destroys no State property, and is no expense to the State, there is no loss. But will any one say that because it did not tax the corporations \$67,370.67 for running the train, it has been run at a cost of \$67,370.67 to the State? Where would State losses end if this is correct use of the word *cost*? This use of the term cannot be justified, especially when we consider how well it is calculated to arouse the prejudices of unthinking men, and those who would see the burdens of supporting their own government placed on the shoulders of others.

If the use of the term is correct, then taking the past 18 years as the measure of the next 18, the State will be in that time subjected to a cost of not less than \$568,598.87, on a business for which it has not paid one cent, or had its property injured to the amount of one farthing. But it is to be hoped that if any of the legislatures of different States, which may soon be engaged in the business of legislating on the business of insurance, shall take up the Commissioner's report to help them solve

the different problems, will not be led astray by this mistaken use of the word cost. It is clearly a misnomer.

But in this report there is another point to which we would direct attention, not for the purpose of criticizing, but to use an argument which the Commissioner makes against taxing gross premiums, to show that taxes, even on net premiums, cannot be reconciled with justice.

In commenting on this subject he says: "One company takes \$100,000 in premiums, during the year, from citizens of this State, and returns \$90,000 in losses. Another company takes \$100,000 in premiums and returns \$10,000 in losses. Each of these companies pays precisely the same tax to the State, the one that realizes \$90,000 from the operations of the year, and the other that realizes only \$10,000. * * * The company that abstracts the greater amount of capital from the State pays a much smaller per centage upon its profits than the company that abstracts the lesser amount of capital. * * * This looks like a tax growing heavier in exact proportion to the amount of advantage a company is to a State. Clearly, the tax should be upon the net premiums. Just laws tax values."

Now it is admitted by all, that taxes, whatever they may be, are paid out of the pockets of the policy-holders. And we claim that if values are taxed, these values must be found in the policies of individuals. They cannot be in the premiums paid for the policies. These premiums are cost and may be so called, with ten-fold more propriety than license fees, which were never assessed, and being costs, and nothing else, whether we mean gross or net premiums, the system of taxing is inequitable and unjust, as we propose to show by the Commissioner's illustration.

We shall have a case similar to that of the Commissioner's, if we substitute policy-holders for the State, policies for premiums, and premiums for losses. Then one man insures his life at the age of fifty, for \$100,000, on the ten-year endowment plan, for which he pays \$10,000 on receipt of the

policy. Another at the age of twenty-five years, also insures for \$100,000, on the life plan, and pays on the same \$8,000. At the end of the first year both policies become death claims, and are paid to the legal heirs.

But the endowment policy cost the insured \$10,000, which, subtracted from the policy leaves \$90,000 which may be called profits. The other policy cost the insured \$2,000, which, deducted from the policy, leaves \$8,000, which may also be called profits. But the rate of taxes on each policy is the same, say three per cent. But three per cent. off \$10,000 is \$300, and three per cent. off \$2,000 is \$60. Here, then, the policy which gives \$98,000 profits pays in taxes \$60, while the one which only gives \$90,000 profits pays a tax of \$300. The difference in the profits is \$8,000, and the difference in the taxes \$240. Thus the policy less profitable by \$8,000 pays \$240 more taxes than the other.

In the language of the Commissioner, "This looks like a tax growing heavier in exact proportion to the amount of advantage" the individual is to the company. And this is the effect of retaliatory laws as they are now executed. We are obliged to Mr. Forster for the illustrations he has given us. It requires, it will be seen, but a slight modification, to show its effects upon individuals, and not on individuals, but the general wealth of the State. For, if the case we have supposed had actually occurred in the State of Pennsylvania, and the taxes on the two policies had been assessed, the premiums paid would have purchased \$6,000 more insurance, which would have been that much more added to the general wealth of the State, and become a permanent taxable value; but it appears that in the last eighteen years the State received in license fees and taxes on premiums no less than \$2,442,-916.37. Had the State allowed its citizens to purchase insurance with this sum, instead of extorting it as taxes, what an amount of taxable wealth would it have added to the State. Suppose that State, in the language of the Commissioner, has been "sorely vexed by the retaliatory laws of other

States," does retaliation in return pay? Is not the tit-for-tat theory, put into practice, a very expensive luxury to this or any other State?

If this \$2,442,916.00 taxes had been used in purchasing insurance on property, at the rate of \$20 per \$1,000, it would have secured in insurance \$122,145,000, and if fifty per cent. of this had become claims it would have added to the taxable wealth of the State the sum of \$61,072,500. This would be more than twenty-five times greater wealth, added to the taxable property of the State, than it has received from license fees and taxes on premiums. And who will say that this calculation is not within the bounds of reason? And if so, what does any State in the Union make by the retaliatory system? Financially it is suicidal in every State.

To whatever extent the citizens of a State insure life or property in foreign companies, it is as certain to bring taxable wealth into the State as it is to secure protection for dependent families. And if, on the average, it is practicable for the citizens to insure, it must be to the pecuniary advantage of the State that they do insure; and the measure of advantage to the State is in the amount of insurance secured by its citizens.

Insure every insurable dollar in the State and the advantage to that State is the amount insured, less the premiums paid. And the difference between these two sums is the taxable wealth to the State by the operation.

We, therefore, concluded that the State which imposes no taxes upon foreign companies, is a much better financier than the one which pursues the opposite course. As soon as it is seen that financially retaliatory laws do not pay, the whole theory will be abandoned throughout the country. The mere satisfaction which it affords, and the self-respect which it supports, is no compensation for the loss it imposes. These laws can vindicate no principle of justice which may be violated by other States. Nor does the fact that a State imposes a tax upon the premiums of home companies help the matter. And we have yet to see the first

apology for this system of treating unreasonable and unjust legislation, which can bear the light of sober, impartial investigation. If legislators will hunt out the values in policies of insurance and tax them instead of their cost, the public would have less reason to complain.

The Massachusetts Life Report.

We are in receipt of the "Nineteenth Annual Life Report" of the Insurance Commissioner of Massachusetts. This report is for the year ending December 31st, 1873, and is one of the most complete documents of the kind ever issued by any State Department. An unusual amount of statistical and other valuable matter has been furnished by Mr. Clark, of an entirely different character from that generally found in these voluminous and State works. Much new information is given, some of which is of a very important character, and many new ideas are prominently set forth. The introduction, which is unusually lengthy, is not, however, altogether free from objection, as we will presently show.

The Commissioner starts out by giving the usual list of companies represented and retired during the year, there being forty-six of the former and six of the latter. The six which ceased business during the year were all from New York.

In reference to the proposed uniform blanks, Mr. Clark argues the importance and necessity of it with more than ordinary force. He thinks that the preference shown by many of the companies for the "Michigan Blank" is very proper, and that the blank should be adopted by all the departments, and its demands cheerfully complied with by the companies. This blank is in itself a perfect balance sheet, and possesses besides many features which should commend its acceptance.

Of State requirements, Mr. Clark, like all of his brother Commissioners, still harps upon the importance and value thereof, and argues at length to establish this point, quoting, among other things, the opinion of Robert Tucker, President of the English

Institute of Actuaries, upon this subject, which is perhaps the strongest argument ever made in favor of the system. We must except, however, to this part of Mr. Clark's report: We never have been a believer in State Supervision, and no argument which he or any other man has ever been able to put forth, has come anyways near establishing a just reason for the existence of such a system. Besides, an attempt to defend the system by the Commissioners themselves, in their own published documents, never can, for obvious reasons, have much weight with the public. Hence the valuable space occupied by these arguments in favor of the system in these reports, can and should be put to better use. Let somebody else champion the system besides those who feed upon its pap.

The question of surrender values is next discussed by the Commissioner, he taking the view that both the companies and the insured suffer more or less from the numerous lapses that occur. He argues against the unwarrantable disposition to take advantage of the forfeitures of policies which some companies manifest, for the purpose of making exorbitant profits; and in consequence of this unfortunate condition of things he claims that there is a necessity for an equitable recognition of the rights of the insured. He does not tell us, however, how this recognition is to be obtained, or upon what basis surrender values are to be paid.

On the question of amalgamations, the Commissioner presents in full the grievances which are furnishing such constant cause of complaint, but he leaves the task of providing a practicable remedy to the Legislature of his State, he admitting that he has not discovered any method himself by which they may be overcome.

On the subject of industrial insurance, the Commissioner has much to say. As this part of his report is particularly interesting, we publish a few excerpts from it, which will doubtless be read with interest. He says:

"The practice of insuring payment of small amounts upon the occurrence of death, has for a long time prevailed in England. The object for which the payment of such sums has been more particularly desired,

has been to provide for funeral and other extraordinary expenses that become necessary upon the death of any member of a family. The payment of burial money, which is in substance life insurance for a small amount, is the sole object of the Burial Societies so common in England. On the other hand, in the Friendly Societies three benefits are usually guaranteed, namely, an allowance during sickness, a pension in old age (which is in substance a deferred annuity), and the payment of a small sum upon the occurrence of a death.

"These Societies have been in existence in England for more than 100 years. They long since became so numerous, many thousands of them having been organized, that great hopes were entertained that they would exert a powerful influence for the encouragement of prudence and economy. It was hoped that they would be of great service in the prevention of pauperism and in lessening the poor rates. They have frequently occupied the attention of Parliament, and various acts have been passed which were intended for their benefit. But unfortunately a large proportion of these societies were not founded upon correct actuarial principles, and have turned out to be insolvent. Still the fact that they have been so extensively organized for the purpose, principally, of furnishing insurance for small amounts, seems to show that a natural demand for such insurance really exists. Similar schemes are much in favor among the Order of Freemasons, Odd Fellows, and some other organizations of a beneficial character; and though fallacious as *business* enterprises, the number enrolled in them is very great in England, and bids fair to become so in this country.

"The circumstance which has of late drawn so much attention to the subject of industrial insurance, is the success attained by the Prudential Assurance Company of England, in what it calls the industrial branch of its business, which consists in furnishing insurance in small amounts. Though it does not, like the old Friendly Societies, guarantee allowances in sickness, yet like them it adjusts the amount of insurance

to the premium paid; that is to say, instead of naming certain sums as the premiums for which it will insure the payment of ten, a hundred or a thousand pounds at death, it offers certain amounts of insurance in return for the payment of small fixed sums each week; such as one penny, two-pence, three-pence or four-pence, as the case may be. Like the Friendly Societies, also, the company sends its collectors from house to house and collects premiums weekly.'

"All the different contrivances practically adapted for the promotion of saving, among which life insurance is to be considered one, are deserving of encouragement. They increase the capital of the community, indispensable for the organization of industrial enterprises, and aid powerfully in the development of the material wealth. Numerically the people of small means form a large part of the population, and their contributions, although humble singly, are in the aggregate of importance. Any accumulation of means which inures for their benefit is valuable, not only on account of the capital which it furnishes, taken collectively, but also because it brings improvement to precisely the very people whose material condition stands most in need of it. The great usefulness of such institutions upon economic grounds has long been thoroughly understood in England, and repeated and earnest efforts have been made for their encouragement though it must be confessed without much success.

"The further extension of life insurance in Massachusetts is no doubt a subject of so much importance, that it might very properly occupy the attention of the legislature. But it is very doubtful whether the Legislature could devise any measures that would be of service, in aiding directly in the introduction of industrial insurance. Fashions, however, are so contagious, that it is not unlikely that some attempt may be made to introduce here a kind of insurance at present so popular abroad. Should this be the case, it is highly desirable that legislation should establish all proper precautions against insolvency and fraud."

Following this, and in conclusion, Mr.

Clark gives the reminiscences of a decade wherein many interesting facts are stated. But we have not space in this issue to notice this part of the report further. As a whole, the report is a good one, and contains much information of value to the insurance companies.

President Hope's Circular.

We have been shown a circular letter addressed to the agency of the Continental Insurance Company of New York, by President Hope of that company, which is so pregnant with facts important to underwriters and property owners, that we regret our inability to find room in our columns for its entire contents. We extract a few of the more salient points. The opening paragraph has the correct ring, and the position set forth should be more generally adopted by Insurance officials :

"We realize that in order to secure the intelligent and earnest co-operation of the Agents of the Company with its officers, so as first to determine what are proper charges for insuring, and next to obtain such charges, it is important that so far as may be, they be placed in possession of the facts respecting the hazards and results of the business." * * *

Mr. Hope says, "The assertions recently made by underwriters of experience and observation, that the entire Insurance business of this country, from the beginning, has been transacted at a loss to the Insurance Companies, has led us to an investigation of all the statistics within our reach, and the results of that investigation we now place before you. They are extracted from the annual reports of the companies, made to one or another of the State Departments as required by law. They embrace the business of the twenty years preceding 1874, or so much of that time as the Companies analyzed have been in existence and have reported their business. The number of companies whose business is analyzed is thirty-eight, and the aggregate years amount to five hundred and sixteen, making an average of thirteen years for each com-

pany, sixteen of the whole number being for the full term of twenty years.

The results are deduced from the figures of each company as made by its officers, except as to the amount of unearned premiums: these differ so widely in different statements in respect to companies transacting, so far as can be estimated the same character of business, that it became necessary to assume a uniform ratio, and that adopted, while above the estimate of some of the companies, is below that of others, including this Company. The companies selected for this purpose, (embracing both American and foreign companies) have all transacted a general insurance business and have employed agents, and all of these companies are still engaged in the business of Insurance. Some of them have transacted the business of Marine and Inland Navigation Insurance to some extent. The amount of this business is comparatively small, and the difficulty of its separation in regard to amount, losses and expenses so great, that the effort was abandoned. Its effect upon the aggregate business is so small as to be unimportant. These thirty-eight companies taken together have sustained losses and have paid in expenses (not including dividends or any compensation whatever to stockholders), the sum of \$283,908,653.73; they have earned on premiums received \$271,293,368.59, showing as the result a net loss of \$12,615,285.14.

Of the whole number, thirty-one show a loss even at the rate of re-insurance assumed, and but seven a profit, and it is probable that some of these would be transferred to the loss column if a strictly correct ratio for re-insurance had been possible. In this matter it is important to remember two things: *first*, that among these companies are those having an extended experience, and regarded as most ably managed, and *secondly*, that the companies included are *only such as are yet alive* and active in business. These, then, are the *successful* companies, they having succeeded in avoiding bankruptcy, in paying all claims upon them and in keeping their capital full, though in many cases, by the introduction of new con-

tributions from the stockholders. When to the net loss of this large aggregate business is added the losses paid by the sixty-eight companies that failed in the Chicago fire, and by the thirty-two companies that went down in the Boston fire, we begin to realize what are the results of the business of the past twenty years, but we shall be aided by remembering the fires of Troy in 1862 and of Portland in 1866, and shall more clearly realize that the entire Insurance business of the country has been a loss to the companies engaged in it when we recall other great fires such as that in New York in 1835 (in which more than four-fifths of the local insurance capital was swept away) again in New York in 1845 and in Pittsburgh in 1845, in Albany in 1846, in Brooklyn in 1848, and in St. Louis in 1849, in which companies were made bankrupt, and of the amount of their losses no State record or Insurance Department contains any statistics.

It will be necessary to remember that the statistics derived from Insurance Department publications, are those only of the companies that survive, and that the many millions sunk with wrecked companies never appear in them; therefore, the figures presented, while they are all the authorities can give, do not give the result of the aggregate business, but only of the business of such companies as are able to keep alive. It is important also to remember, that scores of companies have died without the aid of any great conflagration to hasten their dissolution, being carried off, not by the sudden accident of a great fire, but by an insurance marasmus, induced mainly by inadequate rates of premium, the outcome of ignorance and recklessness." * * * *

The following has its illustrations near home :

"A noteworthy feature of the present state of affairs is the creation of sham insurance companies. In some cases not only are the capitals built of trash, but the directors are of the same degree of substantiality; nothing about them is tangible excepting their officers, and when losses of any material amount are incurred and the days for

payment draws so near that it becomes evident that no more money can be made by themselves out of the ignorance or carelessness of property holders, these officers suspend their insurance tricks, and, at times, exhibit a facility in disappearing, which gives strong assurance of success in a business in which tricks are less harmful. Such companies of course insure without regard to the amount of risks they assume, or to the adequacy of premiums they obtain. They can answer the purpose of their creation at rates that would bankrupt companies having a prejudice in favor of paying all honest claims upon them.

The actions of such companies are made possible by the closeness with which their course respecting risks and rates is imitated by other companies, so limited in number that they may be enumerated upon the digits of a single hand, which are more substantial in assets, and much less dishonestly shrewd in management. The rule has been invariable hitherto, that such companies either amend their ways or grow rapidly fewer, and the reason for this is seen in the evidence here produced that rates are so low as not to admit of the reductions they practise, while their liability to crowd risks obtained by underbidding is so great that a fire of comparatively moderate dimensions in a city ruins them." * * *

The circular closes with the following, which may well arrest the attention of officers and managers of companies, who are indulging in the luxury of bidding for business at inadequate rates :

"Never forget that to ascertain what are adequate rates of premium requires the whole experience of all well managed companies : that the experience of no single company, however extensive, is so valuable as the aggregate experience of all companies, and that the experience of any company, the business of which has not reached high up among the millions, is almost worthless when taken alone. The interests of policy-holders demand this concert of action, and will do so always in a business the cost of which can be determined by experience only."

Medical Examinations in Life Insurance.

This is a subject which has been frequently discussed in the columns of this Journal, and in reverting to it again we do so with a view to call attention to the fact that the able articles of our old associate have not been without effect. Being familiar with the science of medicine himself, and having had a large experience in the field as a canvasser and as special and general agent, he was eminently qualified to judge of the best plan for securing competent medical examiners and a careful selection of risks. His views were recognized by the leading journals and by many of the best informed life underwriters as practical and sound. He held that the medical blanks should be separate and distinct from the application, and that the same should be filled up and forwarded to the company, or to the medical supervisor of the agency, without being seen by the agent who secured the application, and that the medical blank should contain as complete a record of the applicant as the application, in order that the one might be used as a check upon the other. It was further urged that one thoroughly competent medical man should be selected as general medical supervisor for each general agency or State, whose duty it should be to appoint medical examiners for the country and interior towns, supervise their reports, inspect their examinations and pass upon the same, etc., and that such supervising experts should receive a liberal salary for their services, to be paid by all the companies doing business in that field. His whole time was to be devoted to this business, and, being employed by all the companies, his entire energies would be bent in advancing the general good of all alike; and being liberally paid, he could afford to give up all other practice and make this branch of the profession a specialty.

In all of the large towns he could appoint one competent physician as the examiner for all companies, and thus prevent the solicitors from selecting any quack whom

they might choose to palm off upon the companies impaired risks for the sake of a few dollars commissions. But our old chief further claimed that no applicant for insurance should ever be examined by his family physician, for the reason that there is always a bond of sympathy between the physician and his patrons, and that such examinations are not generally so rigid and thorough as they should be.

We still hold to these views so ably enunciated at different times in the *COAST REVIEW*, but particularly in the November and December numbers of last year. These are correct in every particular as therein set forth, and in the end they must win. Indeed, it does not appear that it will be very long before these plans are adopted by all of the companies. Some of them having already adopted them, others will soon follow suit, until the whole of them become converts to this style of management. This fact was foreshadowed by the proposition of Mr. Bowley, of the Universal Life, made to the Chamber of Life Insurance at its meeting on the 14th of July last, and also by the proposition made by Col. Carrington, of the Piedmont and Arlington, and other prominent gentlemen to the Convention of Southern life managers which met at Bathallum Springs, in Virginia, last June. These propositions, which were accepted with great favor, were in substance as follows:

Let there be a *medical supervisor* appointed for each State or District; let his services be paid for by an equal or proportional assessment on all the companies doing business in his territory, and require him to select the best medical "savants" at suitable points, to be *entirely independent of either agents or applicants*. He is to know no company as his *especial favorite*, but simply to do his duty to the best of his ability, and require local medical examiners to forward their answers to the questions and remarks required of medical examiners, *confidentially*, to the "medical supervisor." Let him endorse, *approved*, *doubtful*, or *disapproved*, and then forward to the home office to whom the application is made, to be accepted or rejected by the home office medical advisors.

The recommendations are substantially what we urged a year ago, and what we still urge, as the very best method that can be adopted to secure proper examiners and careful examinations. The best men in the profession could then be enlisted in the service of the companies, and the result would be a wonderful improvement in the mortality record of nearly all the companies. Will not the Chamber take some active steps at once to secure some such judicious system of medical supervision? It is one of the most important reforms needed in the system of life insurance, and it should be made at once.

How Fires May Originate in Unsuspected Causes.

A writer in *Engineering* makes the following interesting compilation of facts relating to the origin of fires in unsuspected causes:

Business—Churches, including places of worship of all denominations. Also meeting houses and lecture rooms of all descriptions. Causes of fire—Hot air, hot water and steam pipes, and furnaces and stoves. Sticking candles against coffins in vaults. Christmas and other decorations around or too near gasfittings, fires or lights. Sparks falling upon birds' nests in spires and belfries.

Business—Curriers, tanners, and workers in leather and hides of all descriptions. Causes of fire—Lime slacked by rain. Sparks from foul flues and furnaces passing through opening and projecting eaves of drying rooms. Friction of machinery in bark mills. Timber, coal, shavings of wood and leather too near flues. Drying stoves and furnaces. Spontaneous ignition. Smoking in bark and other rooms.

Business—Drapers, tailors, milliners, merchants, makers up and vendors of male and female attire of all descriptions. Causes of fire—Working late, being tired and falling asleep, or becoming careless too near fires and lights. Unprotected and swinging gas brackets. Crinolines coming in contact with fire in open fire-places. Light, pendent goods, being blown by the opening

and shutting of doors, or by concussions or draughts into unprotected lights. Goods hung on lines increase the risk in various ways, such as conveying the flame from one end of a room to the other, and when the line breaks down making three separate fires—one at each end and one in the middle at the same time—thus originating three distinct fires for each line. Cuttings left carelessly about. Using lights while intoxicated, especially by tailors' work people. Ironing stoves, hot plates, smoothing irons, etc., too near and sometimes on timber and goods. Smoking tobacco and matches for lighting it.

Business—Engineering works and workers in metal of all descriptions. Causes of fire—Sparks from striking hot metal. Hot metal castings, etc., left too near timber. Heat from furnaces, forges, and smiths' hearths and flues. Friction of machinery. Japanners' stoves overheated or defective. Accidents with melted or hot metal. Explosions of blast furnaces. Spontaneous ignition of oily waste, moulders, lamps, and other blacks; sawdust or sweepings, and oil; spontaneous heating of iron turnings, etc., when mixed with water and oil.

Business—Farming stocks, stables, hay, grain or flour stores, of all descriptions. Causes of fire—Stacking hay whilst green. Sparks from passing locomotives, etc. Sparks from steam threshing machines. Sticking candles against walls and timbers in barns and stables. Vagrants being refused alms. Firearms used near farming stocks, such as hay-stacks, etc.

Business—Gunpowder, firework, lucifer match, and other manufacturers, and all workers in and makers up of explosive compounds. Causes of fire—Over heating of drying stoves and explosive mixtures. Dropping lucifers. Unprotected lights. Smoking. Leaving phosphorus uncovered with water. Friction and percussion from nails in boots. Sparks passing through broken windows. The sun's ray being concentrated through bull's eyes, knots, etc., in glass. Defective casks containing gunpowder or other explosive materials. Spontaneous ignition of red fire and such like composi-

tions. Carelessness in the supervision of young children employed. Shavings and chips too near fires and lights.

Business—Gas works. Causes of fire—Hot coke near timber, etc. Seeking for an escape with unprotected lights. Timber too near furnaces, retorts, etc. Lime slacked by rain. Defective fittings and appliances. Spontaneous ignition of coals.

Business—Hat manufactures. Causes of fire—Boiling shellac. Hot irons left on timber and other inflammable things. Defective drying and other stoves. Smoking tobacco.

Will the New Laws be Repealed?

This is a question which interests not only the insurance companies doing business on this Coast and their agents, but every policyholder in the State besides, as well as almost every citizen who is not insured. When these laws were first introduced, we opposed them upon the grounds of their unjustness and the injury they would do to both the companies and the public, and we sought to defeat their passage by every honorable means that we could make use of. We urged upon prominent members of the Legislature the importance of voting them down, both personally and through the columns of this journal. We found many of them ready to co-operate with us in this work, but the influence of Commissioner Foard and his satellites was too great for us to overcome. He had found among the members a few disaffected policy-holders, who stood ready to work for the passage of any measure he might suggest, and with the assistance of these, and the influence of Gov. Booth and the Dolly Varden party, he was enabled to saddle upon the companies all of the obnoxious restrictions with which the public are now so familiar.

We have so frequently expressed our contempt for the men who thus abused their official positions, that to say more upon that head would be mere surplussage. And of the objects and reasons which prompted them to this course, we have also spoken in unmeasured terms. Foard can never repair

the damage he has done to the cause of life insurance, were he to try ever so much to do so. His ignorance, and his bigotry and pitiful meanness all crop out in his recent course in such a bold manner as to astonish even his enemies. He has written himself down an ass in every move which he has made, and, if we mistake not the writing on the wall, his days are about numbered. If Gov. Booth has no more regard for the dignity and reputation of the State than to appoint and continue such a man in such a prominent position, we think that Lieutenant Gov. Pacheco has, and as the reins of government will fall into his hands about the time that Foard's annual term expires, next spring, we shall doubtless see the position filled by some better man.

But this is not sufficient. The laws should be repealed at the next session of the legislature, or so modified as to admit of a compliance therewith on the part of the companies that have been forced to withdraw. This can be done without curtailing in the least the rights of the assured or the benefits which they will derive from the companies in consequence of these laws.

But in order to secure the repeal of these laws, the companies and the agents should go to work earnestly to prepare the public mind for the much needed change. If they be dormant and indifferent about this matter until the assembling of the legislature, they will find it difficult to get such a hearing as will be needed to bring about this change. They must go to work at once, and keep at work until they are sure of success. This is no difficult matter if it is promptly and properly handled. Every policy-holder in the State, every bank, express company, agent and solicitor are interested in this matter, and should work to secure a change of the laws. Business men generally are interested in securing such laws as will admit of free trade in the insurance business, for there is not a single branch of trade but is benefited in one way or another by it.

But particularly are the newspapers interested in this matter, as the withdrawal of the companies affects their patronage very

materially. The daily and weekly press lose perhaps \$40,000 or \$50,000 by the operations of these laws every year that they remain in force, hence it is to their interests to work for a repeal as speedily as possible. Will they assist us in this work by calling the attention of their readers to the injustice and inutility of these late enactments? Let them once take the matter in hand properly and the thing is secured.

Fighting Fire for Ten Years.

The *Ins. Monitor*, of New York, for October, furnishes to the Insurance fraternity, under the above title, some tabular matter showing the experience of 146 Companies reported in New York, in 1864, for 10 years. The table shows amount of capital in 1864, with increase or decrease of same for the ten years following; assets in 1864, with increase or decrease for same period; also, gives the failures, re-insurances, and re-organized Companies. This is a very valuable table to the insurance public, and more especially to the stockholders who hold Fire Insurance stocks. Out of the 146 Companies represented in New York, in 1864, there has been fifty-nine failures—25 at Chicago, 9 at Boston, and 25 elsewhere. Of the fifty-nine that yielded to the fiend, seventeen have been resurrected, either by re-organization, or succeeded by other Companies, under the management of the same parties. Add to the fifty-nine the thirteen that have decreased in capital or assets, we find that nearly half of the 146 have been, to say the least, not profitable to the stockholders. But we will let the *Monitor* speak:

"Of the other half, about twenty Companies show conspicuously well, and thirty more do themselves no discredit. That is, only about one-third of the whole number have much ground of rejoicing, and about one-sixth can point to the record with pride. Of these few Companies we speak with unmixed admiration. They have passed through a period of ten years, which has included Portland, Chicago and Boston; they have paid, and promptly paid, one hundred cents on every dollar of the enor-

mous claims which grew out of those terrible fires, and to-day they stand with from a half million to two millions more of financial strength than at the beginning of the decade.

"There are reasons for this admirable showing. The field was an open one, the opportunities for success were free to all alike, and yet only about four in each score can write their names on the roll of honor. These companies had the wit, or the grit, or the money, or all three, in the needed measure; so that the calamities which swept to destruction whole ranks of their fellows, only toughened these, and made them abler for the service of the future. The secret is one of management. Emergencies arise in the careers of men and of institutions, and if the ability of the man or the manager is not equal to them, disaster follows. One by one the failures show where there is a vital defect in structure, or a lack of wisdom, or of skill to meet and grapple, at the right moment, with a threatening obstacle. If the company is minus the particular thing needed to meet the emergency of the hour, it goes down; if plus that thing, it comes triumphant through the ordeal, only the stronger for having been subjected to it."

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Insurance Reform.

The action of the National Board of Underwriters in regard to Chicago fire risks has naturally suggested the idea that a close survey of other cities might be of advantage to insurers, and accordingly such surveys have been undertaken, and are now in progress in all the large cities. That such a means of protection was not long ago adopted by the underwriters is the most remarkable fact in this conjunction, but there can be no doubt that the business of insurance is crying aloud for reform, and it is to be hoped that when the National Board has ascertained the relative safety of city property, and has stirred up the municipal authorities to adopt reasonable precautions, it will turn the Bude Light of a searching inquiry upon the system of insurance as at present

pursued, and seek to remove some of the abuses which now cause so frightful a waste of capital. It is, perhaps, time they discovered that the agency system is at this day quite as much a means of incendiarism and fraud as of protection to property. If, on the one hand, it guarantees the honest citizen against ruin by fire, on the other hand it suggests to the dishonest citizen a means whereby he can burn himself better off. If on the one hand it affords security to the upright business man, on the other hand it imperils his property by placing a premium on over-insurance, and thereby inviting crime.

Granted that in a city so exposed as Chicago, it is absolutely necessary that the precautions taken by the authorities should be ample, it is obvious that these precautions are offset in a great measure by the fact that the insurance agents are interested more in excessive than moderate insurance. Nor is it possible to amend this matter without the introduction of a new element to the business, in the shape of a class of officers whose duty it shall be to see that over-insurance is not effected, and to prohibit the insurance, at any rate, of extremely dangerous property. It is easy to perceive that such duties can never be looked for from the agents themselves, because the things demanded would run contrary to their personal interests, and therefore the intervention of a third party, who does not possess the same general interests, is necessary. There are many other reform measures likely to be suggested by an inquiry into the practical working of the insurance system, but this is one of so much importance that it ought to rank with the municipal precautions insisted on so properly in the case of Chicago.—*Sacramento Record.*

—The Clay Fire and Marine Ins. Co., of Newport, Ky., has been re-admitted to this state, and announces itself prepared to write upon all classes of risks at paying rates. The statement upon which it was re-admitted shows it to be possessed of assets to the amount of \$372,124.40. The directors have decided to abandon the general agency system, and the agency for the metropolitan district returns to E. Duncan Sniffen.—*Chronicle.*

Companies in and Out.

We give below a list of Fire and Marine Insurance companies that have been licensed to do business in California, not reported in the Commissioner's last report, and also the list that have had their certificates cancelled. The companies admitted are the Rhode Island Insurance Association of Providence, with assets, Jan. 1st, 1874, \$1,425,196; represented by Farnsworth & Clark. Globe, of Chicago, assets, \$460,000; represented by Potter Jacobs & Easton. Queen, of Liverpool, assets, \$3,099,896; represented by Falkner, Bell & Co. Merchants', of Chicago, assets, \$222,788; represented by Hutchinson, Mann & Smith. American Central, of St. Louis, assets, \$634,854; represented by Hamilton & Sonnichsen. Merchants, of Newark, N. J., assets, \$684,141; represented by Hamilton & Sonnichsen. Clay, of Newport, Ky., assets, 29th Sept., 1874, as reported by Insurance Commissioner of Kentucky, \$372,124; represented by H. M. & S. Franklin, of St. Louis, assets, \$245,219; represented by Potter, Jacobs & Easton. St. Louis Insurance Co., of St. Louis, assets, \$283,595; represented by R. B. Irwin & Co. Maritime Marine, of Liverpool, assets, \$1,944,700; represented by Falkner, Bell & Co. The Union Marine, of Liverpool, assets, \$2,038,535; represented by F. B. & Co. Citizens, of St. Louis, assets, \$372,311; represented by Andrew Baird & Co. New Orleans Association, of New Orleans, assets, \$540,967; represented by H. M. & S. Franklin, of Indianapolis, assets, \$327,613; represented by H. M. & S. New Orleans Insurance Co., of New Orleans, assets, \$676,944; represented by Andrew Baird & Co. St. Joseph, of St. Joseph, Mo., assets, \$372,469; represented by O. Hawes. Switzerland Marine, of Switzerland, assets, Frs. 2,337,559, represented by Henry Balzer & Co. Lamar, of New York, assets, \$299,239, represented by Samuel D. Mayer, and Franklin, of Wheeling, Va., assets, \$401,146; represented by B. C. Dick. The last-named company have reduced the capital from \$200,000 to \$150,000, which excludes

them from California for the present. We are informed, however, that the company will immediately increase the capital and resume business here in a short time. The company has connected with its directory and stockholders, some of the best men of Wheeling, and we presume they will not be long in making their capital again \$200,000. The Insurance Commission has cancelled the certificate of the Atlantic and Pacific, of Chicago, a concern which is in the hands of a receiver, and from all that we can learn, would infer that it should have been placed there immediately after the stock was subscribed. The certificate has also been cancelled of the German of Erie, Penn., and New Orleans Mutual Association of New Orleans. The last-named institution once had a *million*, but lo, where are we now!

People vs. Hymen Jacobs.

A rather novel case was brought before the San Joaquin County Court, on the 13th inst., with above title. It seems Jacobs was a peddler of Dry Goods and Notions, from Stockton, and in January last conceived the idea of effecting a good round insurance. He was accommodated with a policy for \$1,100, being \$200 less than applied for, and in less than two weeks the dwelling house where the merchandise was stored became a total loss. Jacobs, on the morning previous to the fire, had loaded his wagon and started for Modesto, at which point he was advised of his irreparable (?) loss. The adjuster put in his early appearance but discovered no traces of the goods claimed to be destroyed. He at once invoiced carefully all merchandise saved in the wagon, quietly gathered such information bearing on the case, and returned to San Francisco. Before the expiration of 60 days, hearing that Jacobs was around Modesto with his wagon, the Adjuster suddenly dropped on him and made a *second* invoice of his wagon load, which revealed considerable of the same goods alleged to have been burned. A consultation with District Attorney Roysden, who never forgot the points, resulted in the Company compromising for 50 cents.

In September, Jacobs was indicted before the Grand Jury, under Section 549 of the Penal Code, but owing to legal technicalities, the case was dismissed before Judge Buckley, on the 14th October. We are sorry for the cause of Underwriting that the case could not have been tried on its merits, as it appears the evidence was strong against Jacobs, without knowing what the defense could offer in rebuttal. The District Attorney evidently was wholly unprepared for the trial or he would have subpoenaed an officer of the Company to produce the original insurance contract, the very point which lost him the case.

Lawyers and Ins. Co's.

The St. Louis *Globe* says: Insurance companies have come to be regarded as fair game for lawyers. There are those who think it is always in order to abuse an editor or to sue an insurance company. The result in each case is not always the same. An editor, if he be of the right stuff, waxes fat on the wrath of the unrighteous; but it is quite possible to badger an insurance company to its serious detriment, and to use the most unworthy means in the process. Insurance companies, it is true, are not always managed on principles which command the approval of the public. The temptation to extravagance, amounting to dishonesty, is very great, and it would be strange if it were always resisted. But an occasional lapse from virtue in some companies is no reason for a general and indiscriminate onslaught on a business in which the welfare of millions of people is involved; and still less is there reason why, when an insurance company is made the victim, the victor should be an attorney less scrupulous than learned. In other words, if injustice is to be punished, it should be in the interest of sufferers rather than of lawyers; and yet it will appear that in all such cases the injured client plays a small part when the damages come to be divided.

Our local columns to-day contain a lengthy petition for an injunction to restrain certain parties from bringing suits against the St. Louis Life Insurance Company, together

with the decision of Judge Krum in favor of the petitioners. The facts set forth make an array very discreditable to the defendants in the case, and, as they are sworn to, we are bound to accept them as truthful until authentically shown to be the reverse. Plainly, there was no good interest to be subserved by the prosecution of the plan which seems to have been laid down by the defendants—that of barratrous annoyance to the company for the especial benefit of the attorney who had undertaken the work. It is not our province to enter into a defense of the St. Louis Life Insurance Company. We know nothing more of its workings than that they are under the supervision of reputable and competent gentlemen, who seem to be conducting their business with skill and energy. But no impartial observer of the affair related in our columns to-day can fail to side with us in the belief that Judge Krum's decision was fully justified by the facts brought to his notice.

Local Boards of Underwriters.

In our last issue we gave a brief outline of the work of the National Board of Fire Underwriters in its efforts to elevate the system into a science, and to secure for the capital entrusted to their care a reasonable probability against overwhelming disaster. To make effective the result of these labors and investigations, requires the earnest and honest co-operation of the agents throughout the country, and to this end the agents of the companies of the largest field and experience have readily united into Local Boards, and give a cordial support to the requirements of their principals.

Agents now comprehend what was plain to experienced underwriters at the re-organization of the National Board, that without its aid there would be but few solvent companies to represent, and that it has saved from utter ruin many who placed their confidence in it and have stood by its requirements.

We, of course, speak of the body of agents, and do not mean that there are no exceptions. Occasionally we hear of a

weak-kneed, restless, and perhaps incompetent agent who does not even yet comprehend the situation, and who having lost a risk on a planing mill or some other high-priced special, and the control of his temper at the same time, and anxious to exhibit the amount of intelligence he possesses, will jump the track and affirm that all boards, local, state and national, are humbugs and of no account whatever.

These are, however, mere incidents, and have but little effect on the general results of the work of the Local Board organizations; their fields being limited, their immediate office is to adjust rates to suit the hazards of their respective localities, educate public opinion to the support of legitimate underwriting, and to shape municipal and other legislation in the direction of preventive measures against the ravages of fire.

As the members of these Boards represent five-sixths of the Underwriting interests of the country, their influence in the direction of correct practices must of necessity make itself felt, and there can be little reasonable doubt that despite the restiveness of property owners against arbitrary rates and rules, they are, in fact, recognized as the conservators of the insurance and property interests of the country.

Even their non-Board competitors will concede that without the local Board organizations, their own business would be hardly worth the having, for notwithstanding their professed hostility to "combinations," and opposition to "Board-rates," at heart they pray for a continuance of these same combinations, and in practice claim to shade the "book rates" sufficiently only to satisfy the property owner that he is getting a discount from the "regular price."

The same "tariff" is consulted by Board and non-Board solicitors alike, so that "rates being graded according to the character of the risk offered," resolves itself into an effort to get as near "book rates," as the customer (who knows his advantages in the argument) will permit.

That the element of selfishness underlies

this opposition, the reader will concede, but so long as human nature (and especially that concerned in the insurance business) is weak, we may expect that this selfish interest would override all other considerations; and to secure temporary and evanescent success, agents and companies may be found who will to the extent of their ability jeopardize the continuance of organizations which alone stand between the Companies and the disasters, which inevitably attend the indiscriminate scramble of rates which would ensue, were these organizations to be disbanded.

Petroleum Ordinance.

The following important ordinance regulating the storage and sale of the products of petroleum was ordered printed by the Board of Supervisors, of this city, at a recent session. The Fire and Water Committee of the Board, met on Wednesday last, for the purpose of giving merchants, underwriters and others interested, an opportunity to give their views. Supervisors Lynch and McDonald were present. The Board of Underwriters, were represented by Messrs. Johnson & Touchard, and Nathaniel Holland, Esq., Attorney, by whom the ordinance was drawn. The merchants were represented by Messrs. Taylor & Blake. The discussion was very lengthy, the special objection of the oil merchants appearing to be that feature which required a certificate to be attached to each can or package. After lengthy arguments for and against the measure, Mr. Blake proposed that a Committee of merchants and underwriters should meet and draw up and agree upon an order suitable to both.

Mr. Touchard accepted this proposition, saying that there was no desire on the part of insurance companies to oppress merchants.

Mr. Lynch said the object of the Fire and Water Committee was to meet the requirements of underwriters and merchants without oppressing either, and he therefore cheerfully agreed to the proposition made by Mr. Blake. He intimated that the

Committee would ask the Board to postpone final action on the order until the matter had been settled, and the Board would no doubt grant an extension of time. The matter thus ended.

Section 1. It shall be unlawful for any person or persons, firm or corporation, to store, permit the storage of or keep for sale, within the corporate limits of the City and County of San Francisco, in a larger quantity than one thousand gallons, to be always kept in metal cans, in any one building, any crude petroleum, or any refined product of petroleum, and the same shall be required to stand a fire-test of 110 degrees Fahrenheit before it shall burn, except as provided in Section 2 of this order, unless the same be stored in a building or warehouse licensed for, used for and devoted exclusively to the storage of such substances.

Section 2. It shall be unlawful for any person, persons, firm or corporation to store or permit the storage of or keep for sale within the City and County of San Francisco, in a larger quantity than one hundred gallons, to be always kept in metal cans, in any one building, any gasoline or any product of petroleum, or hydro-carbon liquids which shall burn at a temperature below 110 degrees Fahrenheit, unless the same be kept in iron tanks and stored in a building or warehouse specially licensed for, used for and devoted to the storage of gasoline and other products of petroleum or hydro-carbon liquids which shall burn at a temperature below 110 degrees Fahrenheit.

Section 3. No building or warehouse shall be licensed for the purposes stated in this order, except on the recommendation of the Chief Engineer of the Fire Department, the Fire Marshal and a majority of the Fire and Water Committee of the Board of Supervisors, as being suitable therefor, in which case the License Collector shall exact for such license the sum of one dollar per month, payable quarterly in advance; provided, that no such warehouse shall be used for storage of gasoline or other products of petroleum which shall burn at a temperature below 110 degrees Fahrenheit, unless

such warehouses shall be specially recommended for such storage as hereinbefore provided, and shall be specially licensed for such storage, and have prominently painted externally on the front thereof, in plain Roman letters, at least five inches in length, the words, "Licensed for the Storage of Gasoline."

Section 4. It shall be unlawful for any person, persons, firm or corporation, to mix or adulterate any oils used for illuminating purposes, with benzine, naphtha, gasoline, or any other substance; and all oils or fluids, manufactured from petroleum or its products, to be used for illuminating purposes in the City and County of San Francisco, shall be required to stand a fire test of 110 degrees Fahrenheit before it shall burn.

Section 5. Any person or persons manufacturing or selling illuminating oils or fluids made from petroleum or its products, shall be required to have stamped upon the case or package the name of the manufacturer and seller thereof, and his place of business, together with the words, "Warranted to stand a fire-test of 110 degrees Fahrenheit before it shall burn;" and any seller disposing of five gallons, or more, shall furnish a certificate of the test as above.

Section 6. Any questions arising under the provisions of this order, as to the character of this oils herein mentioned, the same shall be tested in the presence of the Fire Marshal and Chief Engineer of the Fire Department, and they shall decide the test of such oils.

Section 7. Any person or persons violating any of the provisions contained in Sections 1, 2, 3, 4 and 5 of this order, shall be deemed guilty of a misdemeanor, and, upon conviction thereof, shall be punished by a fine of not less than one hundred dollars, nor more than five hundred dollars, or by imprisonment in the County Jail not less than thirty days nor more than one hundred days, or by both such fine and imprisonment.

Section 8. It shall be the duty of the Fire Wardens to carry out the provisions of this order, and they may enter upon the

premises where such oils are manufactured, stored, kept or sold for the purpose of examining such oils; and any person hindering or obstructing the Fire Wardens in carrying out the foregoing provisions, on conviction, shall suffer the same penalty or penalties provided in Section 7 of this order.

Obituary.

Mr. Joseph B. Scotchler, President of the Merchants' Mutual Insurance Company of this city, died at his residence in Oakland, on the 10th of October. Mr. Scotchler's entire manhood life has been spent in California, he having arrived here in the summer of 1852, after a six months' voyage around Cape Horn, in the bark *Winslow*, from New Bedford, of which city he was a native. Mr. S., then a young man of 21, found a position awaiting him in a leading mercantile house, which being subsequently overtaken by the misfortunes so prevalent in those early days, he was for some time bookkeeper for LeCount & Strong, booksellers, and afterwards with Jonas G. Clark, now one of the wealthy citizens of New York. In the latter position he was entrusted with very large interests, Mr. Clark removing to New York, and his business being wound up in a great measure by Mr. Scotchler, to the entire satisfaction of his employer.

In 1863, the Merchants' Mutual Marine Insurance Company was organized, being the first purely marine insurance company on the Coast. The company met with marked success, which was largely due to the untiring energy of Mr. Scotchler, who became its first Secretary, the late James P. Flint, Esq., being President. In — Mr. Scotchler was elected President, which office he held at the time of his death.

In 1871 he visited the Atlantic States and Europe, in the interests of his company. The misfortunes attending the European and Eastern business of the Merchants' Mutual decided the stockholders to put the company into liquidation during the past summer, and its affairs were in process of being wound up by Mr. Scotchler.

His mind and time were entirely engrossed in the science of marine underwriting, and none stood higher among the fraternity in this city. On the announcement of his death, a special meeting of the Board of Marine Underwriters was called, at which the following resolutions were adopted:

WHEREAS, It has pleased Divine Providence to remove from among us our late friend and associate, Joseph B. Scotchler, who for nine years occupied the responsible post of Secretary and President of the Merchants' Mutual Marine Insurance Company, and during a like period served this Board as its Treasurer and member of its Committee on Adjustments,

Resolved, By the Board of Marine Underwriters of San Francisco, that in Joseph B. Scotchler we recognized a man of unblemished integrity, of vigorous character, uncommon quickness of perception, and such energy and perseverance that he was able to accomplish the heaviest tasks in but a brief time, and to exercise a marked influence on his associates in every relation of business and social life. He was possessed of a strong will, yet his social instincts were so pronounced that he surrounded himself with friends won by his ever ready tact and warm geniality of manner. As a business man he was shrewd and successful; as an underwriter he thoroughly understood his profession. As a zealous, practical and active member of the Board, he filled a place which will ever remain vacant in our memories. As a good citizen, an honest and honorable gentleman, a devoted husband and father, and self-sacrificing friend, few among us will leave a record so blameless, so pure, so full of manly and generous associations.

Resolved, That we tender our heart-felt consolations to the bereaved widow and family of our late friend, and that the Secretary be instructed to deliver to them a copy of these Resolutions, suitably engrossed.

Resolved, That the members of this Board will attend the funeral of our late associate in a body, and that the Secretary be in-

structed to spread these resolutions upon the minutes, and to cause their publication in the city papers.

A true copy from the minutes.

C. T. HOPKINS, Secretary.

Chief Engineer Hunt's Troubles.

Two of the Sacramento Agents, interested in the Capital Woolen Mill fire, during September last, preferred charges against William B. Hunt, Chief Engineer of the Sacramento Fire Department, on the ground of incompetency and expressed malice toward Insurance Companies. The charges came up for hearing before the Board of Fire Commissioners, October 5th, and were carefully examined into at great length, concluding October 15th. The prosecution presented a strong case and it seemed the allegations of their complaint would be proven throughout, but Mr. Hunt, represented by the indefatigable Grove L. Johnson, Esq., disproved the charges of incompetency, and hurled back on his accusers a most telling counter-charge of reckless underwriting, illustrating the case by introducing testimony of the Sacramento Agencies, to the effect that the Woolen Mills went begging among the conservative insurance element of this coast, and that the statistics here and elsewhere proved the result of total loss, so far as Insurance is concerned, in every reported fire on such hazards.

It appears Chief Engineer Hunt is an old practical fireman, knows no fear, attends to his business at fires by going to the front, and has made enemies by resenting advice during fires. His great mistake is managing at the pipe instead of the entire department. No chief engineer can successfully control a fire, or manage with efficiency a fire department, holding a stream at one particular post. Of the Capitol Woolen Mill fire we believe all was done that could be done. Once on fire and with a good start, after distant 600 feet, and the additional fact that but one engine could be advantageously worked, a total loss was inevitable; but we cannot agree with Mr. Hunt,

that the gentleman preferring charges, did so to blind their companies (*a la* "Cuttlefish,") to reckless and wild underwriting. They had nothing to gain from such a course. The prosecution failed in sustaining the charge of indifference as to preservation of insured property and malice entertained by Hunt against Insurance Companies; but there is a lesson in all this which we recommend to the chief—that of paying more heed to those directly interested in defeating the fire fiend, and instead of his managing a *single* stream, his place is at a point where a general supervision can be made and his judgment brought into more active use.

Board of Insurance Brokers in Boston.

A recent Boston letter mentions the preliminary arrangements for the constitution of a brokers' board, to act in unison with the Fire Underwriters' Union. Committees of the two bodies met to arrange the matter, and they agreed very amicably upon the question. Quite an elaborate agreement was drawn up, in which the rights of both parties were acknowledged, with the understanding that both parties should stand by them. The Union took a couple of meetings for consideration, and then accepted the propositions. There was to be an alliance between the two parties for the benefit of each, and they agreed to do business only with each other. This would shut out such occasional brokers as only get out ten-dollar licenses from the Insurance Department to do business for their employers—they being merchants' employes, as clerks, cashiers, book-keepers, and other such-like miscellaneous personages, whose action for the insured is only to get a rebate by the latter upon their insurance. The regular brokers had their commission or fees fixed at ten per cent. All this was admitted upon both sides to be reasonable. The Underwriters' Union having accepted the report of their committee, the brokers have since then had several meetings, and as the whole of them constitute so large a body, it has been difficult

to get a full representation of them; while, of course, there are some discordant opinions. An adjourned meeting was, however, to be held on the 6th instant, when it was expected that all things would be harmonized. The most influential men of the brokers are in favor of the alliance.

Editorial Notes.

—Fitzgerald *alias* Wilson, Wright, Randolph, &c. the notorious scoundrel, of whom the COAST REVIEW has had so much to say has again turned up at his old tricks. This time in San Jose, not as an Ins. agent, but sign painter and general patent medicine vendor. We learn that he succeeded in purchasing a house and lot and *paid* for them—here we will just mention that this is the *first* thing that Fitzgerald ever *did* pay for—but not content with the cash business, he must buy some furniture and carpets, on 30 and 60 days time, but as usual, when the time came for him to pay for the goods, he was a “little short” and “just wait a day or two and I will pay the money over.” But our unsuspecting merchants now began to hear something about this chap, and immediately commenced making inquiry as to who this man is, etc. Well, its needless to tell you that when we were applied to we furnished back numbers of the COAST REVIEW. The only thing that surprises us is, that the people of San Jose, many of whom are subscribers of the COAST REVIEW, should allow this *notorious*, and *extensively published villain* to prey upon them.

—Our “cussin” Insurance Commissioner says he had the laws which have driven our companies from the State, passed in the interest of policy-holders in California. Well, perhaps he did, but how, and in what way is it benefitting them. The companies that have withdrawn have *no* representatives here on whom summons can be served, and the parties who wish to bring suits will be compelled to go to New York or Hartford to do so. It strikes us that it would have been much better for the policy-holders, both as to trouble and expense, to have been permitted to bring suit in the U. S. Courts

in this city than to be compelled to go to New York. But perhaps our commissioner thinks different; one thing certain, there will not be so many fraudulent claims presented as would be if parties could bring their suits here; therefore the companies will not be annoyed by black mailing suits as they have been heretofore. When we speak of fraudulent claims we mean about five out of six that are made against Life Companies, most of which are brought by shyster lawyers who persuade their clients that these Life Companies are all soulless corporations and should be bled at every opportunity. A fair sample of this kind of work is now going on in St. Louis, against the St. Louis Life Ins. Co.

—We are indebted to Insurance Commissioner Chapman of New York for a complete list of all insurance companies authorized to do business in that State. It shows the number of Joint Stock Fire Insurance Companies of the State of New York to be 102, with capital of \$26,250,000. Mutual Companies, eight; Marine Insurance Companies, nine; six Mutual and three Stock, with capital of \$1,662,080, and one Plate Glass Insurance Co., with capital of \$100,000. Number of Fire and Marine Companies of other States, eighty-one; with capital of \$24,842,465. Foreign Fire Insurance Companies, eleven; with capital of £5,849,950. Canadian Fire Insurance Companies, three; with capital of \$842,754. Foreign Marine Insurance Companies, three; with capital, respectively, \$200,000, th. 100,000, fr. 911,500. New York State Life Insurance Companies, twenty-six; with capital of \$4,286,000. Life Companies of other States, twenty-eight; with capital of \$4,377,456. Casualty Insurance Companies of other States, four; with capital of \$1,030,975. Foreign Life Insurance Companies, two; with capitals, respectively, \$1,228,200, £289,545.

—Five out of the sixteen cases in the U. S. Court in Boston, against the Agency Fire companies, that refused to pay the loss on the furniture and ware-rooms of Haley & Morse, on the ground that the plaintiff was

prohibited by the condition of the several policies from pouring *more than a barrel of Naptha* at one time on the furniture to kill moths, and that there should not be more than three cigar stubs thrown on this naptha within two hours after the naptha was poured on—have been decided against the companies, and all the cases will be carried to the U. S. Supreme Court, and the eleven other cases are postponed for the present. Any company or set of companies that will not allow small furniture dealers—where the use of combustibles are prohibited—to *extinguish* their moths with naptha, a barrel at a time, does not deserve the patronage of the better class of the American people.

—We mentioned in our October number that Carbin & Jaffrey, of New York, had commenced suit against J. F. Knapp and J. R. Hegeman, President and Vice-President of the Metropolitan Life Insurance Co., for \$10,000, for alleged libel. We take this opportunity to state that we made a slight mistake as to amount. The figures should have been \$100,000. Well, what's \$90,000 in a matter of such magnitude as this? The idea of the "Eastern managers" of the Northwestern Mutual Life Insurance Co., wanting a President and Vice-President of a New York company to pay them *only one hundred thousand dollars*, is preposterous, and to us seems like child's play. Why, Fitzgerald, the most notorious scoundrel that ever escaped the rope, asked the COAST REVIEW to pay him one hundred and eighty-five thousand dollars. Now the idea of the "Eastern managers" of a first-class company, presuming to have a character—two of them—worth eighty-five thousand dollars *less* than R. F. Fitzgerald, does seem to us a little mysterious, and until we hear more from the case, will be compelled to believe that there is some mistake in the figures yet.

—V. A. Turpin, receiver of the late defunct Atlantic and Pacific Insurance Co., of Chicago, filed a statement on the 10th of Oct., in the Superior Court of Cook County, Ill., showing assets as follows :

Agency supplies and blanks.....	\$15.00
Furniture and Fixtures.....	1,000.00

Horse, buggy and harness.....	200.00
Real estate, cost value.....	13,025.00
Notes secured by mortgages on real estate, face value.....	228,675.00
Notes, with personal security.....	1,900.00
Notes without security.....	3,200.00
Past-due checks.....	600.00
Protested drafts.....	100.00
Cash in Central National Bank.....	749.51
Total.....	\$247,539.51

With liabilities as follows :

Losses by fire.....	\$175,000
Amount requisite to pay unearned premiums.....	75,000
Due for salaries.....	2,500
Total.....	\$252,500

Mr. Turpin thinks he will not be able to realize more than \$150,000 out of the items of assets as given above, and intimates that there has been "dark dealings" in the management of the concern ; as in the matter of cash items, the company had reported to the court a credit of \$30,000 in the Central National Bank, which upon examination shows the amount to be less than \$1,000. The notes without security, \$3,200, he considers worthless.

—Statistics show that, in three-fourths of the cases, the amount realized from policies of life insurance is the principal dependence left to the family, and that without it suffering and destitution would in many instances follow. Though life insurance is not a charitable, but a protective institution, what more beneficent scheme could have been devised for the distribution of so large a sum as *one hundred and forty millions of dollars to fifty thousand families*—being nearly \$3,000 to each—without a direct and burdensome contribution in the name of charity and humanity. In fact, this whole amount has been clear gain to the recipients, and no loss to the community. The relief came as the result of a comparatively light tax, voluntarily assumed by the living, that his family might not be left in want, or be dependent on the charity of others, at his death.—*Massachusetts Life Report for 1874.*

—The Chicago Board of Fire Commissioners, the Mayor and other prominent officials of that city, met and adopted resolutions as follows :

Whereas, The National Board of Under -

writers and the Citizens' Association of Chicago have expressed their implicit confidence in the ability of Gen. Alexander Shaler to organize a thoroughly efficient Fire Department ; and

Whereas, Both the named organizations express a strong desire to secure the services of General Shaler to this city, at their expense, for the purpose of pointing out to our city authorities such improvements in our Fire Department as his wisdom and great experience may suggest ; therefore,

Resolved, That we heartily unite with the above-named organization in extending to General Alexander Shaler a cordial invitation to come to Chicago and give us the benefit of his knowledge and experience in matters pertaining to the prevention and extinguishment of fires.

—The Chamber of Life Insurance held its regular meeting in New York, October 14th. The Committee on Medical Examinations made a report recommending a thorough reform in this important branch of the business, a thing most needed, and should receive immediate attention. There is no branch of the life business so much abused as that of medical examinations, a continuance of which will ultimately prove ruinous to the business. At this meeting two other companies were admitted to the Chamber, The Merchants', of New York, and Michigan Mutual Life, of Detroit. We are glad to note the progress of this body, and hope to see all our respectable companies enlisted in this work of reform. The Chamber *can* do much good for the business, and with the co-operation of *all* our leading companies, would be a power in the land.

—The recent change in the administration in the Fire Department in our sister city of Oakland, seems to have been inaugurated by a series of fires, evidently incendiary in their origin. On Saturday night, 24th October, some half dozen fires were kindled in various portions of the city, the most considerable in the extent of the damage done being that in the block bounded by Ninth, Tenth, Broadway and Franklin Street. The promptness of the Department, under Chief

Montanye, only prevented a conflagration which would have destroyed a considerable portion of our beautiful suburb.

On the subsequent Monday night, an isolated barn, filled with some 500 tons of hay belonging to Tarp & Barstow, was kindled in four places, and totally destroyed.

Mayor Durant has offered on behalf of the city a standing reward of \$250, and the Underwriters of this city, \$250 additional for the arrest and conviction of any one firing a building in that city, and Messrs. Tarp & Barstow offer \$250 for the arrest and conviction of the person or persons who burned their premises.

Public opinion inclines strongly to the belief that the fires were set by vagrant hangers on of the old Fire Department.

—Will Foard be re-appointed Insurance Commissioner of California? This question is asked by many policy-holders and insurance men. The conduct of this would-be reformer, in regard to the obnoxious laws which have driven from our Coast most of the Life Insurance Companies, and his utter inability to fill the office of Commissioner, we think should satisfy the appointing power that he is not the man for the place. We have a better opinion of our Lieutenant Governor than to think for a moment that he would disgrace his position by appointing such a man as Foard has proven himself to be, to fill *any* office. There are good men who understand the business of Underwriting, and would fill the office of Commissioner with ability, and we think the acting Governor will use a little judgment in making the new appointment.

—As we go to press with our last form we get word from New York, stating that the President, Vice-President and Secretary of the North America Life Insurance Company, have resigned their positions, and the vacancies have been filled by the President, Vice-President and Secretary of the Universal Life Insurance Company; and that the Universal will move into the building with the North America, though not to consolidate the business of the two Companies. What does all this mean?

Chips.

—The *Insurance Monitor* for October is unusually interesting.

—The Merchants Life Ins. Co. has joined the Chamber, and the former Secretary of the Co. is promoted to Vice-President.

—The notorious Underzook will be executed Nov. 12th. This should be a warning to all who may seek to extract money from Insurance Companies by their rascality.

—It is said the Connecticut Mutual Life, of Hartford, has \$7,000,000 in Chicago mortgages, and 1,700,000 loaned on property belonging to Potter Palmer, Esq.

—The Philadelphia *Underwriter* has changed from quarto book form to that of an eight-page newspaper. We can't say we like the change, yet it is probable Mr. Cohen can do as much good in one form as another, and more too.

—The Oriental Insurance Company, of Jersey City, has been ordered to discontinue business, as the affairs of the concern are in a most unsatisfactory condition. From this we may infer that the Oriental will soon join hands with the Occidental in that land where big fires and Insurance Commissioners are known no more.

—The local Insurance Companies of this City have paid, during the current year, January to October inclusive, Dividends on their Capital Stock as follows:

Union, Capital.....	\$750,000	12 per cent;	\$90,000.
Firemans Fund, Cap....	300,000	21 "	63,000.
California, Capital.....	300,000	19½ "	58,500.
Commercial, ".....	200,000	16 "	32,000.
State Investment, Cap.	200,000	15 "	30,000.

In addition to the above, the Union has paid from their surplus, since April 1st, \$82,500 as interest money, on assessment to meet Chicago losses in 1871. The Union, Fireman's Fund, and California, pay Dividends quarterly; State Investment and Commercial pay monthly.

—The Traders' Ins. Co., of Chicago, has withdrawn from the local board of that city.

—A banquet was given to Cornelius Walford, Esq., the eminent writer on insurance, at the Allyn House, Hartford, Conn., by the underwriters of that city, on Thursday, Oct. 15th.

—We are glad to note that our friend J. B. Ecclesine, of New York, is again up and around. His *Underwriter* for September came duly to hand with its usual amount of interesting insurance matter.

—The Phoenix Insurance Company of Brooklyn has recently been licensed to transact a fire and marine business in Canada, having deposited \$50,000 with the Dominion government, as required.

—During the past month, Mr. Chalmers, special agent of the California F. & M. Ins. Co., has appointed the following gentlemen agents for the Company; R. M. Swain, Napa; Wright Mathews, Lake County; W. W. Cunningham, Ukiah; Luce & Porter San Diego, Vaughn & Ross, Healdsburg; T. F. Hudson, Santa Rosa; T. H. Bryant, Petaluma; J. B. Fuller, San Rafael.

—C. V. D. Hubbard, Esq., the energetic Special, for Falkner, Bell, & Co., Agents of the Imperial & Queen, has resigned that position, and in fact cut loose from the hazardous business of Fire Insurance, and gone into the extra hazardous business of Stock Broker. Mr. H. was a very useful man in the Insurance field, and we hope to hear of "many souls made happy" by his skillful manipulations in stocks.

—Mr. L. J. Hamm has been appointed agent of the Alameda County Insurance Company, of Oakland, for San Francisco, with office at 426 California Street. Mr. Hamm has been connected with the insurance business in this city for about ten years, and we presume he understands the details of the business, and will do this company good service.

—Mr. C. H. Twombly, formerly Assistant Secretary, has been elected Secretary of the Alameda County Insurance Company, vice L. W. Kennedy, resigned.

—W. J. Callaghan, Esq., is doing good service for Hamilton & Sonnichsen's Insurance agency, in looking after country business and attending to outside matters generally.

—The Faneuil Hall Insurance Company, of Boston, with assets of \$300,000, represented by Farnsworth & Clark, should have been included in the list of companies admitted in California since the Commissioner's report. See list in another column.

—The Committee appointed from the Board of Underwriters of Chicago, to examine and report on the Chipley's Fireproof Shutter, Fire Ladder and Escape, placed upon the Market Street side of Messrs. Field, Leiter, & Co's., five-story wholesale store, recommend that a reduction of 10 cents in the rate be made on buildings and contents, when they are placed subject to the approval of the Board of Underwriters.

—During the past month our friend W. J. Stoddart, of the Underwriters' Agency, was the recipient of a handsome four-bladed ivory-handled pocket knife from the head office of his Agency. The Underwriters' Agency belongs to the National Board, yet it is whispered around among our Underwriters that the knife was sent out for Mr. Stoddart to use in cutting rates. We cannot think this is true, however.

—A conflict of authority, involving some knotty legal questions, has arisen in connection with the Central Fire Insurance Company case. It will be remembered that some time since the company was suspended and turned over to A. Wilson Norris, Esq., as Receiver. The company closed up their splendid office, at No. 310 Chestnut Street, owing the landlord, it is stated, \$1,500 for rent over due. Finding no settlement being made of the company's affairs, the landlord, Mr. Gihon, obtained judgment, and the Sheriff proceeded to take

possession of the company's effects, including office furniture, fixtures, safes, &c. At this juncture Receiver Norris put in an appearance, and disputed the authority of the Sheriff, and, as the former gentleman is a lawyer, and supposed to know what the law provides in the premises, a lively contest will probably ensue between the Court's Receiver and the Sheriff. At any rate, the landlord will fare the same, no matter who wields authority, as his rent claim takes precedence of all others.—*Philadelphia Sunday Transcript*.

—During the week past we were honored with a call from Mr. F. A. Weck, of Eureka, Cal. Mr. W. was the second subscriber to the COAST REVIEW, commencing with the first issue, and continues to take it, feeling that to be an Insurance representative, without the REVIEW, would be one of the impossibilities. Mr. Weck represents the Imperial, Fireman's Fund, and Hartford Insurance Companies, and is a live man, getting his share of good business in Humboldt County.

—The *Insurance Advocate* of Richmond, comes to us in a new dress, somewhat improved in appearance and much improved as to contents. Brother Gretter says he will endeavor to make his journal more worthy of the liberal support it is receiving, but does not claim that the *Advocate* is "par excellence, the insurance journal of the world," but does think he is in a position to do much good in the business of underwriting. You are correct, and the *Advocate* should be made a welcome visitor to every Insurance office in the south.

—Of insurance journals the *Chronicle* of October 15th, says: Insurance journalism seems to be in a state of ferment. The *Philadelphia Underwriter* has changed its skin, and now the *Northwestern Review* and the *Investigator* are about to change their spots. The former is hereafter to be "published jointly from Philadelphia and Chicago," under the name of the *United States Review*—advertisements from the Eastern, Middle and Southern States hereafter to be welcome. The *Investigator* will be moved

to New York, probably in the Pullman car which the Cape May Convention chartered and did not use. The *Agent and Policy Holder* has slumped out of existence; the *New England Gazette* has stopped stealing leaders; the *Advocate* comes out bright and fresh in a new dress (has it been ruined?); and the *Insurance Press* begins to denounce black-mail.

Meantime, the earth revolves as usual; and the fixed stars in the insurance firmament shine as brightly and steadily as ever.

—J. A. Jones, Esq., of the firm of Falkner, Bell & Co., managers of the Imperial and Queen Insurance Companies in this city, has just returned from a three months visit to England. Mr. J. made the trip not on business but for the purpose of a little recreation, having been closely confined to business for the past seven years. As a pleasure trip he reports it a successful one, and returns much improved and ready for business again.

Messrs. Falkner, Bell & Co. represent the Imperial and Queen Fire Co's, and the Union and Maritime Marine Co's, all first-class.

—The Piedmont and Arlington Life Insurance Company, of Richmond, Va., is preparing to move into their new apartments on the corner of 9th and Main streets, and will add to the building three more stories, making it one of the handsomest buildings in the South. The progress of this company has been remarkable, having issued over 20,000 policies since its organization and paid \$1,500,000 to the widows and orphans in the North and South, \$500,000 of which was paid to parties in the State of Virginia. A stronger proof of the popularity of the company at home is not required.

—The only apology we can offer our readers for the late appearance of *The Index* for September, is the large edition we have to print, and the demand made upon our advertising columns. We always intend to have *The Index* ready for mailing upon the last day of the month, but for the last few months our editions have been so large that we have been compelled to "lap over."

We always aim to be prompt, but when subscribers come pouring in by the hundred, and orders from companies and agents by the thousand, we not only have to exercise patience, but are compelled to ask the same from our friends. In a short time, however, our facilities will be such that an edition of 40,000 will cause no more delay than an edition of 12,000 does now.

—*The Index.*

The only apology we can offer our readers for the late appearance of the COAST REVIEW for November, is the large edition we have to print, and the demand made upon our advertising columns. We always intend to have the COAST REVIEW ready for mailing upon the first day of the month, but for the last few months our editions have been so large that we have been compelled to "lap under." We always aim to be prompt, but when subscribers come pouring in by the hundred, and orders from companies and agents by the thousand, we not only have to exercise patience, but are compelled to ask the same from our friends. In a short time, however, our facilities will be such that an edition of 400,000 will cause no more delay than an edition of 120,000 does now.

—The New York Fire Marshal's quarterly report ending September 30th, contains the following interesting items:

There were during the quarter 377 fires, involving a loss of \$159,235 on property insured to the amount of \$1,198,660. Loss on buildings, \$45,090; insurance on the same, \$648,200. Loss on stock, \$114,145; insurance on the same, \$550,460. The total amount of uninsured loss was \$26,015, of which \$12,675 was on stock. The number of fires by which there was a loss less than \$100 was 305.

The average loss per fire, during the quarter ending Sept. 30, was \$422.37. During the same time last year the loss averaged \$1,193.66.

There were 10.23 per cent. less fires and 156.37 per cent. more loss during the quarter ending Sept. 30th, 1873, than during the quarter ending Sept. 30th, 1874.

The number of fires caused by carelessness

of occupants and employees, with matches candles, lamps, pipes and cigars is 105; children playing with matches, 18; foul chimneys, 55; fireworks, 42; kerosene lamps, 20; malicious mischief, 14; stoves and ranges, 10; rats gnawing matches, 2; spontaneous combustion of oily rags and jute, 6; leaks in gas pipes, 10; window curtains coming in contact with gaslight, 10; friction of machinery, 4; lightning, 1; incendiaries, 6.

Four persons have been indicted, convicted and sentenced for the crime of arson during the quarter.

—Fire-Marshal Sheldon reports that during the month of September there were 89 fires in this city, involving a loss of \$66,750, on which there was insurance to the amount of \$364,900.

	Loss.	Insurance.
On buildings.....	\$ 8,085	\$122,000
On stock.....	58,665	242,900
The amount of uninsured loss was \$2,250, of which \$2,005 was on stock. The causes of the several fires were as follows :		

Accidental, specific cause not ascertained.	1
CARELESSNESS.....	29
Children playing with matches.....	6
Defective furnace.....	1
Fly net taking fire from gaslight.....	1
Foul chimneys.....	16
Grease boiling over on stove.....	2
Heat from boiler.....	2
Heat from furnace.....	2
Incendiary.....	1
Kerosene oil lamp, vapor from, igniting.....	1
“ “ “ explosion.....	3
“ “ “ upsetting.....	1
Leak in gas pipes, escaped gas igniting.....	4
Malicious mischief.....	2
Not yet ascertained.....	2
Overheated stove-pipes.....	2
“ stove.....	1
“ journal.....	1
Sparks from chimneys.....	4
Spontaneous combustion of oily jute.....	1
Tar boiling over.....	3
Window curtains taking fire from gaslight...	3
Total.....	89

The following is a comparative statement of the fires, loss and insurance for Sept., 1873, and the same month in 1874 :

	1873.	1874.
Fires.....	81	89
Loss.....	\$ 58,585	\$ 66,750
Insurance.....	431,450	364,900

During September there were 18 “specials” burned in this city.—*Chronicle, N.Y.*

—A fire at Jacksonville, Oregon, Oct. 18th, destroyed a stock of goods belonging to Morris Menson. Insured for \$30,000.

—Dispatches of October 29th, state that a fire at Greencastle, Indiana, destroyed property to the amount of \$350,000, and that Greencastle has no fire department. How about insurance rates there? Has Greencastle a Local Board of Underwriters? and why has it not a Fire Department?

—John F. Collins, Esq., formerly Secretary of the Republic Life Insurance Company, has connected himself with the Knickerbocker Life Insurance Company, of New York. We are not personally acquainted with Mr. C., but if we are to judge from what we see in our exchanges, he is *the* man for the position, and with the united efforts of Messrs. Collins & Nichols, we predict a bright future for the old Knickerbocker.

—A convention of the humorous paragraphists of the country is talked of, each delegate, of course, to nominate and elect himself. What a crowd there will be! The New York *Commercial* puts in a claim to be of the party by begging to suggest either the Bay of Fun-dy or Laugh-a-yette as a proper point for the meeting. And why not call the assembled wits the National Board of Fun-der-writers.—*American Newspaper Reporter.*

—The Guyandotte Insurance Company of Huntington, W. Va., comes to the front as an applicant for patronage and says:—

This company being fully organized is ready to receive applications for insurance on desirable property at full rates; accompanying which, is the following statement of the company's financial condition September 25th, 1874:

Cash capital, paid up.....	\$100,000
ASSETS.	
Loans on bonds and mortgages.....	\$50,000
Call loans.....	22,500
Bills receivable.....	25,000
Cash on hand.....	2,500
Total assets.....	\$100,000
Liabilities, nothing.	
(Signed,) W. P. Titus, Secretary.	

A more transparent piece of ridiculous

assumption we have not seen for many a day. Aside from the hollowness of such pretense, the name selected is not one of good omen. Guyandotte, at the mouth of the Kanawha, was to be the great city of the Ohio River; it has never risen to the dimensions of a village.—*Baltimore Underwriter.*

—Whenever it is announced that the Illinois department has examined and approved a company, look out for an impairment of capital at least—and, generally, for a speedy winding up of that company.—*Chronicle.*

Board Companies.

We are under obligations to Thomas H. Montgomery, general agent National Board of Underwriters, for the following list of companies represented in the National Board. It must be borne in mind, that a large number of companies, local in their operations, are members of the various local board organizations, and active supporters of Board rules and rates, though they are not directly members of, and contributors to, the central organization.

One of the fundamental rules of the National Board, requires the agents of Board Companies to become members of the local board for those companies, not only, but for all other companies represented by them.

The list gives the assets, December 31st, 1873:

ALABAMA.	
Mobile Fire Dept., Mobile.....	\$153,877
CALIFORNIA.	
Fireman's Fund, San Francisco.....	\$582,362
Union, San Francisco.....	981,614
CONNECTICUT.	
Ætna, Hartford.....	\$5,845,802
Connecticut, Hartford.....	765,234
Fairfield, South Norwalk.....	312,325
Hartford, Hartford.....	2,418,707
Meriden, Meriden.....	300,474
National, Hartford.....	831,830
Orient, Hartford.....	659,277
Peoples, Middletown.....	287,926
Phoenix, Hartford.....	1,652,364
Security, New Haven.....	208,766
GEORGIA.	
Georgia Home, Columbus.....	\$500,000
INDIANA.	
Franklin, Indianapolis.....	\$327,614

MAINE.	
Bangor, Bangor.....	\$315,118
MASSACHUSETTS.	
Eliot, Boston.....	\$278,279
Faneuil Hall, Boston.....	272,190
First National, Worcester.....	196,484
Manufacturers, Boston.....	899,699
Neptune, ".....	481,218
North American, ".....	291,782
Shoe & Leather, ".....	387,976
Springfield F. & M., Springfield.....	1,067,134
Washington, Boston.....	578,421
MICHIGAN.	
Detroit, F. & M., Detroit.....	\$320,950
MINNESOTA.	
St. Paul F. & M., St. Paul.....	\$729,174
MISSOURI.	
American Central, St. Louis.....	\$634,855
Merchants, St. Joseph.....	249,371
St. Joseph, St. Joseph.....	372,469
NEW YORK.	
Adriatic, New York.....	\$289,276
Albany, Albany.....	343,777
American, New York.....	1,012,504
Atlantic, Brooklyn.....	372,844
Black River, Watertown.....	309,740
Brewers and Malsters, N. Y.....	293,577
Citizens, New York.....	785,149
Continental, New York.....	2,255,937
Commerce, Albany.....	370,609
Commerce, New York.....	268,084
Commercial, ".....	345,187
Columbia, ".....	401,773
Exchange, ".....	328,480
German-American, N. Y.....	1,672,363
Germania, New York.....	1,250,102
Glens Falls, Glens Falls.....	630,805
Guardian, New York.....	279,579
Hanover, ".....	1,085,338
Hoffman, ".....	345,546
Home, ".....	4,852,698
Howard, ".....	695,500
Irving, ".....	280,889
Importers and Traders, N. Y.....	297,363
Lamar, New York.....	299,240
Lenox, ".....	239,260
Manhattan, ".....	586,451
Mechanics and Traders, N. Y.....	604,278
Mercantile, New York.....	267,446
National, New York.....	322,096
New York and Yonkers, N. Y.....	270,028
New York Fire, New York.....	452,765
Niagara, New York.....	1,301,211
Oswego and Onondaga, Phenix.....	250,028
Phenix, Brooklyn.....	2,008,947
Republic, New York.....	637,031
Resolute, ".....	277,502
Safeguard, ".....	314,066
Standard, ".....	336,377
Star, ".....	361,696
Tradesmens, ".....	328,578

OHIO.

Home, Columbus.....	\$517,709
Sun, Cleveland.....	347,228

PENNSYLVANIA.

Armenia, Pittsburgh.....	\$327,643
Columbia, Columbia.....	246,437
Franklin, Philadelphia.....	3,200,719
Ins. Co. of N. A., Philadelphia.....	3,287,832
Pennsylvania, Philadelphia.....	1,388,749

RHODE ISLAND.

Atlantic, Providence.....	\$231,348
City, ".....	182,320
Equitable, ".....	298,925
Merchants, ".....	346,127
Newport, ".....	292,132
Narragansett, Providence.....	373,566
Providence-Washington, Providence.....	261,664
Roger Williams, Providence.....	301,435

TENNESSEE.

Equitable, Nashville.....	\$275,843
Mississippi Valley, Memphis.....	380,596

VIRGINIA.

Virginia F. and M., Richmond.....	\$358,313
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WISCONSIN.

Brewers, Milwaukee.....	\$486,320
Northwestern National, Milwaukee.....	524,097

FOREIGN. †

Commercial Union, London.....	\$451,750
French Corporation, Paris.....	100,000
Hamburg-Bremen, Hamburg.....	273,600
Imperial, London.....	731,006
Lancashire, Manchester.....	344,500
Liv. and Lon. and Globe, Liverpool.....	2,897,664
London Assurance, London.....	561,138
N. British and Mer., Edinburg.....	1,286,399
Queen, Liverpool.....	846,700
Royal, Liverpool.....	1,423,834
Scottish Commercial, Glasgow.....	291,250
Total assets, represented by 105 companies.....	\$75,407,338

Citizens', St. Louis.....	3,209.65	.....
Clay Fire and Marine.....	1,320.13	.....
Connecticut Fire.....	5,831.99	332.09
Continental.....	65,924.05	25,284.12
Fire Association of Phil'a.....	12,839.04	2,458.33
Fireman's Fund.....	5,937.37	2,510.00
Franklin, Pennsylvania.....	27,536.72	3,742.43
Germania Fire.....	14,859.48	9,822.36
German American.....	14,883.69	2,695.64
Girard.....	2,781.03	1,942.50
Globe, Chicago.....	4,160.73	300.00
Hanover Fire.....	14,859.48	9,822.00
Hartford Fire.....	49,605.10	7,522.30
Home, New York.....	53,257.81	22,785.33
Home, Ohio.....	10,340.31	2,760.14
Howard.....	166.80	.....
Ins. Co. of North America.....	35,030.91	7,969.92
Manhattan.....	7,060.53	.....
Mechanics' and Traders.....	1,591.83	.....
Mercantile Mutual.....	18,053.53	16,812.14
National Fire, Connecticut.....	13,657.90	3,639.30
Niagara Fire.....	14,859.48	9,822.56
Northwestern National.....	22,257.65	13,474.91
Orient Fire.....	9,574.34	4,025.60
Orient Mutual.....	4,590.82	19,279.25
Pacific Mutual.....	12,541.42	28,086.51
Phenix, New York.....	29,950.87	23,128.39
Phoenix, Connecticut.....	47,373.26	14,681.26
St. Paul Fire and Marine.....	12,774.66	61,891.73
St. Joseph Fire and Marine.....	7,489.98	3,500.00
Springfield Fire and Marine.....	7,100.89	698.17
Traders.....	8,674.49	.....
Westchester.....	1,354.62	.....
Total.....	\$748,399.11	\$343,869.39

Commercial Union.....	\$8,103.90	\$1,385.00
Imperial Fire.....	15,152.64	17,640.23
Lancashire Fire.....	3,867.08	.....
Liverpool & London & G.....	18,950.37	10,040.44
London Assurance Corp'n.....	6,196.14	.....
North British & Mercantile.....	24,758.64	4,979.65
Queen.....	7,483.28	762.35
Royal.....	12,404.10	110.95
Scottish Commercial.....	1,428.38	.....
Total.....	\$38,344.53	\$34,918.62

Grand Total.....\$846,743.64 \$378,788.01

Fire Insurance in Minnesota.

We give below the business of Fire Insurance in Minnesota, for the year 1873, as shown by the Commissioner's Report :

Companies.	Total premiums received.	Losses paid.
Ætna.....	\$59,803.03	\$20,147.18
Amazon.....	6,179.22	11,531.02
American Central.....	27,863.36	10,743.18
Armenia.....	850.56	.....
Atlantic and Pacific.....	495.30	.....
Atlas.....	2,842.52	.....
Black River.....	4,236.26	2,500.00
Brewers.....	3,558.30	.....

NOTE.—The premium receipts of the Republic Insurance Company of New York, which is not in the State this year, were \$14,859.48. Adding to this the estimated receipts of the three other companies not reporting, viz: the People's and Citizens', of Newark, N. J., and the New Orleans Mutual, of New Orleans, the amount of unreported premium receipts would reach, at least, the sum of \$20,000, which amount should be added to the grand total of premium receipts above given.

Life Insurance in Minnesota.

The following is an official exhibit of the business done in Minnesota, during 1873, by the life insurance companies authorized to do business there:

Companies.	No. Pol. Issued.	Amount Insured.	Premiums Collected.
Ætna.....	29	\$53,900	\$28,133.34
Covenant Mutual.....	51	73,500	3,544.80
Charter Oak.....	117	155,290	21,766.77
Connecticut Mutual...	31	66,942	13,007.42
Continental, Hartford.	51	80,500	2,296.14
Continental, N. Y.....	147	164,983	12,648.96
Chicago.....	318	415,475	5,288.17
Equitable.....	47	193,500	16,673.77
Globe Mutual.....	25	26,633	1,746.00
Germania.....	34	62,642	16,069.20
Home.....	70	82,000	4,030.19
Mound City.....	63	95,500	1,400.88
Merchants'.....	53	62,000	1,455.00
Massachusetts Mutual	11	31,500	13,199.26
Mutual Benefit.....	43	91,600	17,111.21
Mutual Life, New York	271	590,075	52,771.12
Minnesota Mutual.....	431	411,441	31,959.24
National.....	181	329,517	9,454.68
New York.....	72	170,000	19,127.11
Northwestern Mutual.	272	468,953	96,484.75
New England Mutual.	40	138,500	29,049.49
Phoenix Mutual.....	134	293,486	22,545.54
Security.....	34	81,200	4,381.20
Travelers.....	23	56,985	4,078.42
Teutonia.....	69	51,000	1,706.66
Union Mutual.....	26	47,500	2,401.33
Universal.....	6	27,000	5,777.41
Totals.....	2,649	\$4,301,572	\$439,117.05

Life Insurance in Rhode Island.

The following table, from the forthcoming report of the Rhode Island insurance commissioner, shows the business transacted in that state during 1873 by the life insurance companies authorized to do business there:

Companies.	Policies Issued.	Premiums Received.	Losses Incurred.
Ætna, Hartford.....	73	\$45,142.94	\$21,270
American Popular, N. Y.	6	717.98	.....
Berkshire, Pittsfield, Mass.	.....	3,749.54	.....
Charter Oak, Hartford,	.....	.....	.....
Conn.....	26	38,795.57	.....
Conn. General, Hartford..	.....	4,155.16	.....
Conn. Mutual, Hartford...	18	140,413.52	21,600
Continental N. Y.....	5	8,283.56	.....
Equitable, New York.....	57	39,330.70	1,000

Hartford Life and Annuity, Hartford.....	4	3,083.84	.....
Home, Brooklyn, N. Y.....	7	12,831.31	.....
Knickerbocker, N. Y.....	7	.....	.....
Manhattan, New York.....	20	277.72	.....
Massachusetts Mutual, Springfield.....	7	9,991.04	.....
Merchants', New York.....	35	976.43	.....
Mutual Benefit, Newark, N. J.....	44	42,003.87	.....
Mutual Life, N. Y.....	247	299,474.77	38,000
National, Montpelier, Vt.	34	5,010.95	.....
National, Wash'on, D. C.	.....	2,192.19	5,000
New York, New York.....	.....	915.52	3,000
New England, Boston, Mass.....	.....	15,494.47	5,000
North America, N. Y.....	39	32,454.90	.....
Phoenix, Hartford, Conn...	199	44,595.71	.....
Republic, Chicago, Ill.....	468	45,377.03	.....
State, Worcester, Mass.....	5	6,032.71	1,000
Travelers', Hartford, Conn.	22	7,887.22	5,200
Union Mut., Augusta, Me.	38	4,354.66	1,000
United States, N. Y.....	3	.....	1,000
Washington, N. Y.....	6	21,581.16	.....
Totals.....	1,370	\$835,124.47	\$103,007

Life Insurance in Missouri.

The following table, from the official report, shows the business done in Missouri during 1873, by the life insurance companies authorized to do business there.

MISSOURI COMPANIES.

Companies.	Premiums Received.	Losses Paid.
Covenant Mutual, St. Louis	\$129,211.14	\$66,307.43
DeSoto Mutual, St. Louis.	.....	.....
German Mutual, St. Louis.	49,352.76	29,578.90
Life Association, St. Louis	368,276.37	160,824.00
Mound City, St. Louis.....	29,601.34	14,500.00
Missouri Mutual St. Louis.	.....	.....
St. Louis Mutual, St. Louis	.....	.....
Totals.....	\$576,441.61	\$271,210.33

COMPANIES OF OTHER STATES.

Ætna, Hartford.....	\$48,924.73	\$12,713.57
Alliance Mutual, Kansas.	11.70	.....
American, Philadelphia...	82,651.11	50,557.80
Atlantic Mut., Albany, NY	10,429.13	12,650.00
Brooklyn, New York.....	17,333.03	2,800.00
Charter Oak, Hartford.....	120,534.23	42,475.00
Conn. Mutual, Hartford.....	.....	61,600.00
Continental, New York.....	.....	.....
Equitable, New York.....	126,441.29	36,500.00
Germania, New York.....	44,724.61	27,310.72
Globe Mutual, New York.	58,066.40	21,230.00
John Hancock Mutual.....	8,721.29	1,083.00
Knickerbocker, New York	.....	6,500.00
Manhattan, New York.....	85,337.94	21,575.00

Mass. Mutual, Springfield	31,739.67	11,500.00
Merchants', New York.....	662.09	.....
Metropolitan, New York.....	.....	.....
Missouri Valley, Kansas..	37,625.13	.....
Mutual Benefit, Newark...	184,975.02	62,825.00
Mutual Life, New York.....	228,962.27	100,800.00
National Life of U. S.....	9,271.55	.....
New England Mutual.....	.....	.....
New York, New York.....	112,639.69	43,410.00
North America, New York	12,661.91	25,000.00
Northwestern Mut., Wis...	110,532.59	16,000.00
Penn. Mut., Philadelphia..	43,225.68	6,375.00
Phoenix Mutual, Hartford.	.....	6,000.00
Piedmont & Arlington, Va	20,128.97	1,000.00
Protection, Chicago.....	1,734.00	.....
Republic, Chicago.....	19,388.14	4,000.00
Safety Deposit, Chicago....	.....	.....
Security Life & Annuity...	129,374.27	35,325.00
Teutonia, Chicago.....	8,003.54	4,000.00
Travelers, Hartford.....	25,649.11	5,801.53
Union Central, Cincinnati	1,668.67	.....
Union Mutual, Boston.....	17,781.57	3,600.00
Universal, New York.....	13,933.67	6,715.89
United States, New York..	15,847.60	11,000.00
Washington, New York...	8,911.51	5,000.00
Western New York.....	2,316.31	.....
Totals.....	\$1,645,358.67	\$945,407.71

Fire Insurance in Rhode Island.

The following table, from the report of the Rhode Island Commissioner, shows the business done in that State during 1873, by the fire insurance companies authorized to do business there:

Name and Location.	Premiums Received.	Losses Paid.
Ætna, Hartford, Conn.....	\$4,263,968.35	\$2,800,334.92
Ætna, New York.....	173,080.29	134,200.97
Alemania, Cleveland, O.	250,157.47	180,217.63
Allemania, Pittsburgh, Pa	344,550.97	108,069.64
Amazon, Cincinnati, O.....	394,580.57	375,596.52
American, Phil'a. Pa.....	373,643.19	460,948.16
American Cen. St. Louis...	551,062.80	293,607.22
Atlantic, Brooklyn, N. Y.	310,673.77	170,338.82
Atlantic & Pacific, Chicago	193,007.09	11,848.61
Atlas, Hartford, Conn.....	164,767.09	8,534.72
Bangor, Bangor, Me.....	62,408.29	107,018.32
Black River, Watertown,	198,757.04	183,282.65
Brewers' Ins. Co. of Am., Milwaukee.....	436,782.61	240,772.49
Capital City, Albany, N.Y.	32,502.02	9,230.78
Citizens', Newark, N. J...	215,773.28	103,333.97
Citizens', New York.....	358,821.10	228,066.10
Citizens', St. Louis, Mo....	113,455.02	25,355.73
Columbia, New York.....	166,946.29	159,825.17
Commerce, Albany, N. Y.	195,760.40	154,982.57
Commercial, New York...	210,318.01	132,103.67
Connecticut, Hartford.....	321,527.94	182,614.04
Continental, New York...	1,633,904.35	977,840.61
Dwelling-House, Boston...	59,410.90	50.86

Equitable, Nashville, Tenn	89,861.62	39,715.53
Exchange, New York.....	215,604.73	127,718.73
Fairfield County, South Norwalk, Conn.....	167,212.15	149,461.21
Fame, Philadelphia, Pa....	106,548.05	57,698.12
Faneuil Hall, Boston.....	73,551.56	14,486.71
Fire Association, Phil'a...	808,365.77	135,840.61
Firemen's Fund, S. F.....	468,462.50	317,409.55
First National, Worcester	121,721.96	85,942.01
Franklin, Indianapolis....	107,030.72	17,869.32
Franklin, Philadelphia....	1,347,488.59	1,165,533.54
German, Erie, Pa.....	388,363.20	29,945.82
German-American, N. Y.	883,477.09	422,498.07
Germania, New York.....	784,046.53	534,863.87
Globe, Chicago, Ill.....	57,652.36	64,470.56
Gloucester, Gloucester....	57,858.44	20,412.15
Guardian, New York.....	103,478.64	131,863.69
Hanover, New York.....	777,583.52	451,253.79
Hartford, Hartford, Conn.	2,247,530.53	1,207,348.34
Hoffman, New York.....	279,431.16	218,119.14
Home, New York.....	3,100,805.59	1,889,144.56
Howard, New York.....	247,775.20	73,776.74
Humboldt, Newark, N. J.	182,815.26	70,446.06
Ins. Co. of North America Philadelphia	1,844,251.72	1,425,070.45
Ins. Co. State of Pennsylvania, Philadelphia..	95,655.35	153,987.16
Lamar, New York.....	159,565.06	111,006.51
Lorillard, New York.....	197,652.83	98,461.87
Manhattan, New York....	590,910.17	339,648.88
Merchants', Newark.....	390,298.89	94,451.75
Meriden, Meriden, Conn.	133,728.33	70,701.64
Mississippi Valley, Memphis, Tenn.....	180,447.78	96,565.48
National, Hartford, Conn.	412,377.90	215,808.98
National, Philadelphia....	450,765.90	175,361.93
New Hampshire, Manchester, N. H.....	106,054.52	42,592.49
New York & Yonkers, N.Y.	120,888.37	115,348.53
Niagara, New York.....	762,826.12	501,183.79
Orient, Hartford, Conn....	418,737.36	240,325.74
Penn, Philadelphia, Pa...	361,881.90	136,568.19
Pennsylvania, Phil'a Pa...	727,271.54	518,312.78
People's, Newark, N. J...	235,965.99	97,394.90
People's, Trenton, N. J...	117,564.07	34,357.22
Phenix, Brooklyn, N. Y...	1,261,737.63	751,805.86
Phoenix, Hartford, Conn.	1,531,214.72	883,402.94
Phoenix, St. Louis, Mo....	37,600.33	10,157.77
Republic, New York.....	458,529.39	418,953.24
Rochester German, Rochester, N. Y.....	71,897.40	15,825.66
St. Nicholas, New York...	165,900.45	116,696.77
St. Paul, St. Paul, Minn...	443,651.08	253,544.41
Security, New Haven, Conn	67,125.15	16,609.11
Springfield, Springfield, Mass.	653,009.12	473,459.55
Standard, New York.....	163,894.46	229,431.99
Star, New York.....	234,505.24	159,754.61
Traders', Chicago, Ill.....	277,314.44	109,220.07
Watertown, Wat'n, N. Y.	327,490.99	105,206.04
Westchester, New Rochelle, N. Y.....	686,392.81	463,519.85
Williamsburgh City Brooklyn, N. Y.....	560,394.16	342,246.90
Workingman's, New Orleans, La.....	3,466.14	1,472.29
Totals.....	\$38,094,471.23	\$23,331,116.74

Fire Insurance in Missouri.

The Fifth Annual Report of the Insurance Commissioner of the State of Missouri shows the fire business of that State, for 1873, as follows :

Name of Company.	Gross premi- ums rec'd.	Losses paid.		
Adriatic Fire, N. Y.....	\$4,001	\$2,733		
Ætna, Conn.....	80,740	45,712		
Agricultural, N. Y.....	11,367	629		
Alemannia Fire, O.....	Not st'd	Not st'd		
Alemannia Fire, Penn.....	34,892	10,127		
Amazon, O.....	23,499	18,000		
American, Ills.....	88,254	34,658		
American Fire, Penn.....	10,927	14,770		
American Mutual, N. J.....	2,944	.....	
Armenia, Penn.....	4,430	3,425		
Atlas, Conn.....	6,062	.....	
Atlas, La.....	6,538	227		
Atlantic, N. Y.....	3,102	753		
Atlantic Fire and Marine, R. I.	813	.....	
Atlantic and Pacific, Ill.....	3,356	.....	
Aurora Fire and Marine, O.....	17,257	10,952		
Ben Franklin, Penn.....	729	.....	
Black River, N. Y.....	7,231	16,849		
Browers' Fire, Wis.....	14,983	9,125		
Browers' and Malsters', N. Y...	2,610	2,362		
Buffalo German, N. Y.....	3,670	5,978		
Citizens', N. J.....	16,070	8,765		
Citizens', N. Y.....	4,525	2,341		
City, Penn.....	772	.....	
Clay Fire and Marine, Ky.....	22,674	9,427		
Commerce, N. Y.....	.....	.....
Connecticut Fire, Conn.....	7,347	6,606		
Continental, N. Y.....	68,213	49,064		
Equitable Fire, Tenn.....	3,116	3,753		
Equitable Fire & Marine, R. I.	772	.....	
Exchange Fire, N. Y.....	2,916	5,243		
Fairfield County Fire, Conn.....	3,846	2,718		
Fame, Penn.....	2,022	.....	
Faneuil Hall, Mass.....	1,843	289		
Farmers', Merchants' and Man- ufacturers' Fire, O.....	2,988	.....	
Fire Association, Penn.....	22,362	3,379		
Firemens', O.....	1,079	875		
Fireman's Fund, Cal.....	10,609	5,537		
Franklin, Ind.....	3,362	487		
Franklin, W. Va.....	10,483	33		
Franklin Fire, Penn.....	34,354	8,291		
German, Ill.....	6,115	6,767		
German, Penn.....	28,333	9,711		
German American, N. Y.....	22,439	15,766		
Germania Fire, N. Y.....	54,954	25,896		
Germania Fire and Marine, O...	5,726	1,470		
Girard Fire and Marine, Penn.	10,684	3,988		
Glen's Falls, N. Y.....	3,838	5,514		
Globe, Ills.....	11,886	300		
Hartford Fire, Conn.....	46,519	21,274		
Hibernia, O.....	11,799	10,330		
Hoffman Fire, N. Y.....	6,179	.....	
Home, N. Y.....	71,712	43,059		
Home, O.....	9,343	5,124		
Howard, N. Y.....	5,085	2,630		
Humboldt, N. J.....	22,330	11,842		
Insurance Company of North America, Penn.....	51,424	19,943		
Kansas, Kas.....	7,581	939		
Kenton, Ky.....	1,173	.....	
Lorillard, N. Y.....	4,342	2,892		
Manhattan Fire, N. Y.....	6,310	3,114		
Mercantile Mutual, N. Y.....	18,492	14,783		
Merchants', R. I.....	1,213	8,331		
Meriden Fire, Conn.....	2,681	.....	
Millville Mutual Marine and Fire, N. J.....	13,342	1,671		
Mississippi Valley, Tenn.....	13,493	7,757		
Merchants', N. J.....	28,173	10,377		
National, Penn.....	553	.....	
National Fire, Conn.....	18,034	5,167		
National Fire and Marine, Penn.....	18,441	18		
New Orleans Mutual, La.....	9,405	.....	
Newport Fire and Marine, R. I.	762	.....	
North-Western National, Wis.	3,058	.....	
Old Dominion, Va.....	10,476	2,104		
Orient, Conn.....	7,522	6		
Pacific Mutual, N. Y.....	3,381	3,660		
Penn Fire, Penn.....	18,225	10,003		
Pennsylvania Fire, Penn.....	17,093	13,129		
People's, Tenn.....	5,720	1,542		
People's, N. J.....	28,221	12,380		
People's Fire, N. J.....	2,208	.....	
Phoenix, N. Y.....	29,023	18,527		
Phoenix, Conn.....	44,160	20,472		
Planters', Tenn.....	7,733	1,642		
Prescott, Mass.....	1,548	.....	
Providence Washington, R. I...	1,383	2,942		
Rochester German, N. Y.....	923	.....	
St. Nicholas, N. Y.....	1,991	310		
St. Paul Fire & Marine, Minn.	16,485	11,222		
Shoe and Leather, Mass.....	1,540	.....	
Springfield Fire and Marine, Mass.....	12,005	6,257		
Standard Fire, N. Y.....	4,696	3,819		
Star Fire, N. Y.....	5,074	2,338		
Traders', Ills.....	13,783	7,505		
Tradesmen's Fire, N. Y.....	13,376	10,428		
Union, Penn.....	3,012	.....	
Union Mutual, Penn.....	12,574	2,500		
Williamsburg City Fire, N. Y...	12,482	4,323		
Westchester Fire, N. Y.....	22,878	4,342		
Commercial Union, Eng.....	25,738	28,221		
Hamburg-Bremen Fire, Ger....	9,907	10,000		
Imperial Fire, Eng.....	28,503	21,878		
Lancashire, Eng.....	12,057	167		
Liverpool & London & Globe, Eng.....	57,176	3,572		
London Assurance, Eng.....	11,078	11,368		
North British and Mercantile, Eng.....	33,645	50,732		
Queen, Eng.....	21,459	6,787		
Royal, Eng.....	68,806	31,767		
Scottish Commercial, Scotland	2,552	.....	
Grand total.....	\$1,611,109	\$824,154		

MINING AND METALLURGY.

Coal and Iron in Tennessee.

General J. T. Wilder, an excellent authority, has contributed the following admirable paper on the above-named industries, to *The South*, (New York), a journal devoted to the development of the industrial resources of the Southern States:

East Tennessee is a high valley, with an elevation of one thousand feet above the sea, running northeast and southwest about two hundred and eighty miles from Chattanooga, on the southern line of the State, to Bristol, at the northeastern end, the line of Virginia, with an average width of sixty miles. It is bounded on the southeastern side by the lofty chain of the Alleghany range of mountains, reaching sometimes an elevation of over five thousand feet above the sea, with frequent gaps through which numerous rivers flow to the northwest. Still further to the southeast, about fifty miles in North Carolina, is the unbroken chain of the Blue Ridge, over six thousand feet high. On the northwestern side of the valley is the level-topped Cumberland mountain plateau, sixty miles wide, with its southeastern side next to the valley of East Tennessee. For a distance of one hundred and fifty miles from Sale Creek (thirty miles above Chattanooga), to Cumberland Gap, it is tilted up or folded back against the horizontally stratified Cumberland Mountains. This uplifted edge is called Walden's Ridge, and is the southeastern limit of the great Appalachian coal-field, which runs entirely across the State, from northeast to southwest, with an elevation of two thousand feet, and an average of sixty miles wide by two hundred long, making a coal-field of six thousand

square miles, or 3,840,000 acres; exceeding by 454,000 acres the entire coal area of Great Britain, including England, Scotland, Wales and Ireland. The valley of East Tennessee is corrugated its entire length with a number of low ridges running parallel to each other at northeast and southwest with the valley. The rivers from the valley of Western North Carolina, at the base of the Blue Ridge, cut through the great Alleghany chain, and through the numberless ridges of the valley, until they unite in the Tennessee River at the base of the Cumberland coal-field, following which to the southern limit of the State, at Chattanooga, the last-named river suddenly turns its course and makes its way through the Cumberland chain to the northwest. Here, in the heart of the great valley of the Mississippi, it offers its clear, deep current to bear the commerce of 15,000 miles of navigable waters back through 800 miles of cotton and corn fields, through five great States, to its mountains of coal and iron, veins of copper, placers of gold and hills of marble, in a climate like that of Northern Italy; adding with its branches 1,800 other miles of navigable waters to the wonderful network of great rivers that form the national highways for the product of more than half the States of this Union, and bearing a tonnage greater than that of any nation of Europe.

This wonderful valley of East Tennessee is lowest near the base of the Cumberland Mountain, containing the coal-fields on the northwest side. All its streams head in North Carolina and West Virginia, and drain northwest into the Tennessee, each river forming a natural highway down

stream to the coal-fields. Nearly every ridge in the valley contains minerals of some kind, the cuts through which the rivers flow forming natural openings to the veins of iron ore which outcrop in nearly every ridge, whilst the great Alleghany chain is ribbed and seamed with veins of iron ore of nearly every known variety. From the same range are taken large quantities of copper, at Ducktown, whilst along its northern base runs a great broad belt of roofing slate and most beautiful black marble, intersected with snow-white veins. Along the base of the Cumberland range runs entirely through the State a low range or ridge of about two hundred feet altitude above drainage, containing invariably two veins of red fossiliferous iron ore, varying in thickness from 3 to 10 feet, cropping out near the ridge on its southern slope, and dipping at an angle of about 45 degrees to the northwest. It is supposed to extend under the coal-field; at all events, it crops out at precisely the same geological horizon on the opposite side of Waldon's Ridge, in Sequatchie Valley and in Elk Gap, opposite Knoxville, localities 100 miles apart, and each 10 miles from the place of disappearance of the ore, at the southeast base of the mountain. The coal in Waldon's Ridge is a dry, simi-bituminous, or rather semi-anthracite, working raw in the blast furnace, and requiring, at Rockwood, $2\frac{3}{4}$ of a ton of coal to melt a ton of pig metal. The ore averages a yield of 60 per cent. of iron, and the sub-carboniferous limestones furnish ample and excellent fluxing material, requiring 20 to 25 per cent. of flux. Nowhere along this long line of 200 miles is it more than half a mile from the iron ore to the coal beds, while the massive limestones are invariably between them the entire distance. The coal at Rockwood is very much disturbed, varying from 7 to over 100 feet in thickness. Our No. 1 furnace has been in blast most of the time, for over four years, making a fine quality of pig iron for rails, with only one kind of ore. Our No. 2 furnace, of forty (40) tons capacity, is going in blast June 1st, when we will turn out, with both furnaces, 75 tons of pig iron per day.

At the base of the Alleghany Chain, on the south side of the valley, is a wide chain of high knobs, in many of which are wonderful beds of the finest brown hematite iron ores, some of which contain manganese. In the Alleghany Chain are inexhaustible veins of brown hematite, and in the high mountains of the Blue Ridge are large veins and lodes of magnetic iron ores. All these must go with the rivers to the coal-fields on the northwest side of the great valley, for this reason—that it requires one ton and a half of good iron ore to make one ton of pig iron, and it takes about three tons of coal to reduce it, and three to four more tons of coal to convert and finish it into bar iron; thus using seven tons of coal to produce one ton of merchantable iron, and one-third of a ton of limestone, making in all seven tons and a half of fuel and flux. These are found contiguous to large and persistent beds of iron ore, only requiring a mixture of one-half of the brown hematite and magnetic ores to make merchantable iron, fit for any use in arts or commerce, and giving the advantage to manufacturers located near the coal, in proportion to the greater tonnage of fuel and flux used, to the vastly lesser weights and freights of ores required to produce one ton of iron; in other words, saving in the production of pig iron one-half the transportation, and in bar plate iron, or nails, nearly 500 per cent. This is the advantage enjoyed by the manufacturers on the northwest side of the valley over those located on the southeast side, where are plenty of ores and no coal. Thus is insured to the northwest side of the valley, along the proposed route of the Cincinnati Southern Railroad, a continuous line of works and a dense producing population.

A few words might be added, giving a geological outline of a cross section of this valley and its mountains on either side. Commencing in North Carolina with the range of the Blue Ridge, an enormous azoic upheaval, ribbed with iron ores, thence northwest, crossing granite formations to the metamorphic rocks of the Smoky or Alleghany Chain, walling long veins of copper and iron ores, thence through great

beds of roofing slate, across the silurian ridges of the broad valley, to the single line of Devonian shales at the base of the Cumberland; in the steep wall of this mountain you cross three workable veins of the finest coal, cropping out above drainage, and reach the level top of the coal-fields, having in less than one hundred miles passed from the lowest primitive rocks across the metamorphic, silurian, Devonian, and carboniferous formations. These, turned up on edge, show all the wonderful provisions of nature in minerals, ready for the hand of man, deposited and hidden in the past ages, but unsealed and opened by the Creator's engineers and contractors, the earthquakes of the past and rivers of the present, and asking in mute eloquence for the mind and hand of man to take from their abundance and make them useful. These wonderful ranges and valleys are in a climate unequaled in salubrity and average comfort of temperature, the driving storms of the great plains of the Northwest being shut off by the continuous chain of the Cumberland Mountain, and the raging gales of the Atlantic seaboard stopped short of our valleys by the ranges of the Blue Ridge and Alleghanies. These causes render this high mountain-walled valley not only more temperate in winter, but much cooler in summer than any valley south of the great lakes or east of the Pacific Coast, and free from malaria, while the great number of medicinal springs of almost every known property or variety, make our valleys a favorite resort for persons seeking either health or pleasure.

Appended please find a copy from our books of the workings of our furnace for the past two months:

Report of Rockwood furnace for the month ending Saturday, December 26th, 1872:

	Pounds.	
Ore charged.....	2,144,000	\$2,835 86
Coke charged.....	891,200	2,005 20
Coal charged.....	1,339,200	1,101 80
Limestone.....	552,700	304 58
Labor.....	—	1,170 15
Salaries.....	—	400 00
Material from store.....	—	303 37
Blacksmithing.....	—	118 56
Foundry castings.....	—	98 03
Total.....	—	\$8,337 55

Product, 590 tons No. 1 mill iron; cost \$14.13 per ton. Ore yielding 62 40-100 per cent.

Report of Rockwood furnace for the month ending Saturday, January 31st, 1873:

	Pounds.	
Ore charged.....	2,415,500	\$3,194 80
Coke.....	1,408,300	3,169 80
Coal charged.....	1,636,600	1,404 77
Limestone.....	601,800	331 61
Labor.....	—	1,486 10
Salaries.....	—	580 00
Materials from store.....	—	127 95
Blacksmithing.....	—	68 15
Foundry castings.....	—	69 20
Total.....	—	\$10,433 38

Product, 655 tons No. 1 mill iron: cost \$15.92 per ton. Ore yielding 62 78-100 per cent.

REMARKS.—Ores are charged at three dollars per ton, and actually cost by contract two dollars a ton. All allowances are made to cover any possible waste or cost of extra handling.

The cost for January is unusual, owing to the greater amount of coke used in that month to reduce the amount of stock of coke on hand. Ore yielding for the time quoted above 62 59-100, and an average of two and three-quarter tons coal used for each ton of iron produced.

The Raymond & Ely Works.

Of a visit to the Raymond & Ely Company's hoisting works, the *Pioche Record* says:

The approach to the works has been much improved. A large open space has been leveled, which answers a most useful purpose in receiving freight teams, piling lumber, etc. The foreman and time-keeper's offices have been removed to another point, where convenient accommodations have been provided for them and the chief engineer. As we entered the buildings we found a great number of men at work, mostly carpenters, who were busy preparing the massive timbers to be used in setting up the new machinery and pumping gear. Here we met our friends, T. J. Andrews, the foreman,

and G. E. Ames, the chief engineer of the mine. Mr. Ames was good enough to interrupt his business and explain the operations then in progress and also the working plans.

The whole of this machinery will be placed on a foundation containing 1,800 perches of massive stone work. For the engine bed three enormous masses of granite will be used. These blocks are seven feet long, $3\frac{1}{2}$ feet wide and 18 inches thick. Beneath the mortice wheels and their attendant gearing, sole plates will be placed, three of them 24x4 inches, and 24 feet long, and one of them the same size, but only 14 feet in length. These will be set on timbers 26x24 inches square, and they will again be bolted down by vertical and angle irons, three inches in diameter, and from 12 to 16 feet in length, securely anchored in the masonry. The machinery will drive a series of six plunger pumps and one lift pump, all of 12-inch bore and seven feet stroke. The plunger pumps will be placed 200 feet above each other. At intervals of 400 feet in the shaft three balance bobs will be placed. The pump rods will be 11x11 inches each, 25 feet long and connected by plates 12 feet long, six inches wide and $\frac{3}{4}$ inch thick, with 24 one-inch bolts in each joint. The pump column will be made of the best quality of iron, one-quarter and five-sixteenths of an inch thick. The main pump rod will be straight and continuous, and the lifts for the intermediate pumps will be clamped on the main rod, so that the strength of the latter will not be in the slightest degree impaired. For the purpose of moving the lower or lift pump, which will be necessary as the shaft descends, a peculiar and enormously powerful winze will be used, by which four men will be able to raise a weight of 14 tons.

Mr. Ames has, by an ingenious contrivance of his own, modified this machine so that by the means of a very heavy chain it will be more useful and easily managed.

For the purpose also of moving the machinery of the pump shaft, on the surface there will be a reel containing a sufficient length of the best steel wire cable, $1\frac{1}{2}$ inch

in diameter, which will be used only for the purposes of the pump shaft. For the purpose of hoisting this machinery, the huge buildings at the works have been enlarged. The excavations for receiving the foundations cannot be less than 90 feet in length, and where the engine is placed, some 37 feet in width. It is of course much narrower as it approaches the shaft, where room is only needed for the foundation of the pump bob.

Beginning with the motive power, on which, whether it is money, brains, muscle or steam, everything else depends, Mr. Ames showed and explained to us the drawings of the engine, which, for size and power, will have only one equal in the State, and that is the Savage. It is what is known as a Poppet valve engine with a Corliss bed. The cylinder is 26 inches in diameter, with a 72-inch stroke, with its exhaust port on the lower side, ensuring complete drainage. The fly-wheel is 24 feet in diameter, and weighs the trifling amount of 30 tons. The steam for giving this ponderous monster active power, will be generated in six tubular boilers, 16 feet long by 54 inches in diameter. Four of these are already in place and use, and the other two arrived just at the moment that we were leaving the building. The foundation for them has already been prepared, so that they can at once be placed in position and forthwith be bricked in. From the engine the main driving shaft will proceed and carry two pinion wheels which work into two large mortice wheels. These are 12 feet in diameter with 14-inch face. The cogs on these wheels are formed of extremely hard, tough wood, and are deemed preferable to iron, as they wear better and offer greater resistance to a sudden strain. With these is connected a huge pump "bob," a most massive piece of work, calculated to bear almost any strain. The timbers forming this are 30x26 inches. Both bottom and upright will be ironed, bolted and strengthened in every possible manner. That it needs be of enormous solidity may be imagined when it is remembered that one end will carry the 1,200 feet of pump rod, with its connections, and on

the other extremity is placed the balance box, which is capable of holding 50 tons. These together will bring such a strain on the timbers that they must necessarily be of huge dimensions.

After we were through inspecting and making notes of the plans, Mr. Ames, accompanied by Mr. Andrews, kindly piloted the way to another large building, where a very complete machine and boiler-making shop is to be seen. Here we found the old Raymond and Ely engine, which has hoisted so many thousand tons of rich ore to the surface, doing good service in running the machinery of the shop. The establishment is well stocked with excellent tools, including rollers, shears, punching machine, planing machine, a large well-appointed lathe, and also a lathe for wood-work. While we were present one of Bennett & Dougherty's patent 20-inch drilling machines was being unpacked. Mr. Ames informed us that it is the finest implement of the kind known. He also told us that a magnificent lathe was now on the way hither, manufactured at Fitchburg, Mass., costing, at the manufactory, \$2,000. The bed of the new lathe will be twenty feet in length, with 36-inch swing. Attached to the machine shop is a boiler factory, where several men were at work making some elbows of very heavy boiler plate, and the portion of the work that they had finished showed that they understood their business. So soon as opportunity serves a foundry will be erected close to the machine shop, making the whole a most complete establishment. These shops, etc., will be found to be most useful to the company in the future. Isolated as this point is, so far from large manufactories, and having so much machinery constantly in use, there will daily be found an occasion to employ the facilities which we have just described. In conclusion, we can but congratulate the company on having a staff of such trustworthy and capable officers. Capt. Day, the Superintendent, Mr. Andrews, the Foreman, and Mr. Ames, the Chief Engineer, all seem to spare no effort to promote the interests of the company. To Mr. Ames much credit is due for the able and

skillful manner in which he has designed, is preparing for and will erect the massive and costly machinery which, when finished, we are sure, offer a convincing proof of his thorough knowledge of his profession as an engineer. To him and Mr. Andrews we desire to offer our very sincere thanks for their courteous reception and kind attention.

Booming.

BY R. S. MORRISON.
[From Mining Review.]

(Continued.)

When the hydraulic and boom are used together, the work of the pipe is to undermine and wash out the banks into the channel where the boom is expected to find its way. The hydraulic plays under the bank, cutting horizontally to some depth, when a large weight of earth presently falls to the bed rock, upon which mass the pipe is turned so as to thoroughly soak and reduce it to the condition of liquid mud, almost ready to assume a slow flow for itself, and crowding it down toward the channel of the boom. By this time the boom water rushes down along the side of the bank and carries with it this mud, which is the pay dirt, which by this previous breaking and soaking is made to show as little resistance as possible to the current, and is further so dissolved that the particles of gold are freed and made ready to drop at once in the riffles of the first boxes.

A hydraulic properly managed keeps the bank at almost a perpendicular. The strong cutting power of the pipe is applied to the lowest portion of the bank, which being cut away the upper portions fall by their own weight; the pipe is then only used upon this portion which falls of itself, to a sufficient extent to break up and soak the lumps and wash them quite down to the bottom of the bank into the way of the boom. Formerly the pipe was required most of its time after the earth was broken down to assist in driving or sweeping it into the flume, or to assist in this particular the head of running water, but the force of a boom applied with the

same head of water being now sufficient for this purpose, the hydraulic is left free to serve its proper purpose of breaking down and preparing the pay dirt for the operation of the current of water.

Besides the increased volume and velocity of the water obtained by this system, the stream is made so much larger by the increase of the quantity passing under the full head of the boom that it covers a wide bed with increased depth, and even without the increased current it is made to do a greater amount of work than if allowed to flow in a continuous stream; boulders of great size which formerly had to be lifted out by hand or with the sluice fork, and which from the long piles or walls of stone so conspicuous along the line of either Clear Creek or any of the old diggings, are carried bodily to the end of the flume; on this account a boom flume is made more stout than was formerly necessary, and in some workings the noise of these boulders pitching against the sides of the box and over the dump is scarcely less noticeable than the roar of the boom itself.

Where there is not sufficient fall to allow a hydraulic from the boom ditch, and water for this purpose cannot be separately obtained, or the expense cannot be afforded, the boom is aided by the pick and shovel in obvious ways, the hydraulic being nothing more than an invention to do the same sort of labor required from those tools, in a cheaper manner and on a grander scale.

The self-opening gate referred to is claimed by several authors, but remains an unpatented discovery, differing in its details as constructed by different miners, but generally operated upon substantially the same principle, the water being made to act as a weight to raise the gate, like a stone at the end of a beam in an old fashioned well. A beam extending from the gate outwards, at its end is suspended a box for the water which is to act as a weight. This box, when the reservoir is full, is filled by the flow of water through a board channel or groove fixed to the beam; the box being filled lifts the gate by its weight, and the water box having a small drain hole, empties itself

gradually while the boom is running, and by the time the head is exhausted the water box is also empty, and the gate falls back to its closed position. Thus it operates, opening and shutting with the regularity of clock work, every 10, 20, and 60 minutes, according to the rate at which it has been regulated, and which of course depends for its frequency upon the supply of water. If the supply of water is exact and even, the boom will rise and fall almost to a second, and can be made to act at a greater or less interval at the will of the miner, up to the supply of water and the capacity of the boom. Some have even been made to let off a *half boom* where at times a less quantity of water, at shorter intervals, is considered more available.

The accumulation of tailings from such a force of course goes on with great rapidity; a single claim of the old-fashioned size cannot be worked by this process without interfering with the rights of lower claimants, and of course for single claims would hardly be thought of in any event. It is essentially a wholesale operation designed to work that immense extent of territory which yields large returns to extensive operations, but not rich enough to the square foot to pay a profit upon any slight development. The system has given a stimulus to Summit, Lake and Park counties, which has greatly revived this branch of mining, and will bring under water and into work thousands of cases which before were considered as worthless for mining purposes.

Their wide extent of placer ground, the patch or hill diggings above the confined area of the gulches and base, is the great feature of this Territory across the Range. A man may walk for a mile in many places where the ground on either side would pay for systematic working, and the pay being thus scattered will open up operations of a class very different from the style in which the rich streaks in the gulches have been worked, and which will produce in that section a greater public benefit as the result of the work, than when men came expecting to return either rich or bankrupt after one season's operation.

Quicksilver Furnaces.

BY JOHN A. CHURCH, E. M. OF NEW YORK.

Recent progress in the treatment of quicksilver ores has added a new method of operating to those formerly known. The first furnaces used were kilns, covered by an arch, and in which the ore was piled with the fuel. The ignition of the latter furnished heat, which drove off the volatile metal. Subsequently this was modified by the introduction of interior arches, on which the ore was piled, while a fire was built underneath, the heat passing through perforations in the arches. Another modification was in building a perforated wall *vertically* in the kiln, the ore being piled on one side and the fire made on the other. These various forms are all alike in requiring intermittent work, the furnace being cooled down after each charge, and in having the ore and fuel separated. The expense for labor and fuel is high, repairs are frequent, and the work is unhealthy.

To remedy these defects, Hahner, Ambassador from Saxony to Florence, invented the shaft furnace called by his name, and which has formed the type of all the improved quicksilver furnaces down to the latest form, of which we spoke above. It is an ordinary shaft furnace, in which the ores and fuel are charged together. The operation is continuous, campaigns of two years being regularly made. The top of the furnace is so tightly closed that no vapors can escape, and the ore is so cooled down while still in the furnace that no metallic vapors can rise from it on discharging, even if the distillation has been imperfect. Less fuel, less labor, very perfect extraction, and a healthy work, have been secured by these improvements.

Up to within a few years the distinctive types of furnaces have been three in number—the Bustamente, the Reverberatory, and the Hahner. Now a fourth is added. It is also a shaft furnace, and is, in fact, nothing but a lime-kiln adapted to quicksilver ores. Two forms are in use—one, known as the Page furnace (at New Almaden), being an

adaptation of Page's patent lime-kiln, and the other being the Knox & Osborn patent. Whatever difference these two furnaces may present, they are of the same type. Each consists of a shaft which is fed with ore and fuel mixed, and the operation is continuous. The furnace, therefore, resembles the Hahner, but it has one marked difference; the wall of the furnace is perforated on opposite sides, about half way down, and on one side a grate is placed, while the flue to the condensers leads from the opposite perforations. The theory of the arrangement is to submit the ore, descending in a column about six feet thick, to the action of heat for a short time, at one point in its descent, and this point is placed about the middle of its path. Economy of fuel is secured by mixing hard fuel with the ore, thus obtaining the advantage of a direct contact for a part of the fuel at least.

To compare this with the Hahner furnace, let us examine the conditions under which the latter works. The ore is charged from a hopper in the roof, the ore surface being kept several feet below the top. The charges are mostly small—about 1,000 lbs.—and they are not made until the surface of the ore in the furnace is at a clear, red heat. The fuel (charcoal) varies from two to four per cent., the variation being mostly due to skillful and unskillful management. This amount of fuel is not sufficient to keep the temperature of the ore up to redness for more than two or three feet in height, after which, the fuel being consumed, the ore gradually cools down. The furnace is open at the bottom, and the air passes for fifteen or twenty feet through the hot ore, cooling so thoroughly that at the discharge the ore is only a little too hot for the hand. Its temperature cannot be above 150-200°F. Thus this furnace possesses in a high degree the great advantages of the regenerative system. The ore is cooled, producing healthy work, and the air is heated, saving fuel.

The resemblance between these two furnaces are: 1. Continuous work in a shaft furnace. 2. Fuel mixed with the ore. 3. Distillation entirely local, being at the top,

in the Hahner, and at the centre in its rival.

The differences are: 1. The use of the external fireplace in the Page furnace. 2. The excellent regenerative action in Hahner. 3. The *complete* freedom from noxious vapors in the Hahner. 4. The liability of the arched openings in the Page furnace to burn out.

Both of these furnaces do excellent work, if the results published by Messrs. Knox & Osborn are trustworthy results of actual (and not experimental), running. They are not, however, equally economical. While the Hahner furnace runs, year in and year out, on two to four per cent. of charcoal, and ores of about one-half per cent. yield, the Page furnace, in one run—the details of which have been furnished us—consumed sixteen and one-quarter cords of wood, 4,349 lbs. of coke and 2,175 lbs. of charcoal in treating 300,000 lbs. of ore. This is 2.175 per cent. of solid fuel and 1.1 cords of wood per ton of ore. If we estimate a cord of wood at forty bushels of charcoal, and the bushel at 15 lbs., we have a total solid fuel amounting to 16,274 lbs., or 5.4 per cent. of fuel. These results are only experimental, and more practice might improve them. Still, the very nature of the perforated shaft, with its outside fireplace, is such that it must inevitably use more fuel than its competitor.

The perforated shaft is, however, a very ingenious application of the continuous action to long-flame fuels. We do not see the advantage of knocking a hole in the side of a shaft furnace in which solid fuel is burning, for the sake of burning an additional quantity of long-flame fuel outside; for, if coal is to be had for mixing with ore, it would seem better to preserve the distinctive qualities of the shaft furnace. But, on the other hand, where coal is not readily obtained, or wood at hand does not form a good coal, the perforated furnace seems to be well adapted to the work, and, undoubtedly, superior to the old intermittent furnaces, which used a little more than a quarter of a cord of wood to the ton of ore, or eight per cent. of charcoal,

calculating 600 lbs. of coal to the cord. At all events they form a noticeable and interesting development in the metallurgy of quicksilver.—*Engineering and Mining Journal*.

Letter from Calistoga.

October 5th, 1874.

To Sonoma Democrat:

Your correspondent was called to this lively village on Saturday, and was agreeably surprised at the remarkable change that had taken place since our last visit. The development of the rich mineral resources of this neighborhood has given new life to business of every kind. The mining excitement grows more intense with each passing day, and really, to an outsider, it would seem that many of the people are luny. Yet they are making discoveries every day that are calculated to turn the heads of the most indifferent observers. The "Calistoga Silver Mine" is a fixed fact. They shipped four silver bricks this morning by Wells, Fargo & Co.'s Express to San Francisco, valued at over twelve thousand dollars. It is believed by those competent to judge, that old St. Helena will prove as good (if not better) than Mount Davidson—results so far show that there is good foundation for this opinion.

Among the many items of interest in this vicinity, is the sale of one-half interest, undivided, by Mr. Wm. A. Stuart, of San Francisco, of the "Knight's Valley Ranch" and the quicksilver mines thereon—the "Ida Clayton" and "Yellow Jacket"—for the sum of one hundred thousand dollars, cash, to Edgar W. Steele, President of the Bank of San Luis Obispo County, G. P. Kellogg, late State Agent of the California Grangers, and Charles Laird, of Salinas, all gentlemen of wealth and rare business capacity. This sale has resulted in the formation of one of the strongest companies, financially as well as for business capacity, that there is on the Pacific Coast, and the enterprise, or rather enterprises, to which they propose to give their attention, are the most important directly to the counties of

Sonoma and Napa that has ever been inaugurated within their borders; the details of which have not as yet been fully arranged. We may say, however, that agriculture, manufacturing and mining, will occupy prominent places. We may further say, that these gentlemen have unlimited capital at their command, and anything undertaken by them will be carried through to success, as all the members of the company are noted for their intelligence, indomitable perseverance and energy. They have organized under the name and style of the "Knight's Valley Land and Contract Company." The following gentlemen comprise the firm: Edgar W. Steele, (President Bank of San Luis Obispo,) Manager Land Department; Wm. A. Stuart, Manager Mineral Department; Wm. S. Bartlett, (Loan Teller National Gold Bank and Trust Co., San Francisco,) Manager Financial Department. The associated partners are E. W. Steele, Charles Laird, Alex. Elder, G. P. Kellogg, Wm. A. Stuart, and Wm. S. Bartlett.

The importance of this enterprise, particularly to the prosperity of Sonoma and Napa counties, is beyond comprehension to the casual reader, yet when the plans and undertakings of this company begin to unfold and be developed in their magnitude, then will people begin to realize the facts. To the genius of one man, his untiring perseverance and energy in surmounting every obstacle, in securing the Knight's Valley Ranch property, and in the formation of this company and bringing the whole matter to a successful issue, to the conception of the enterprises to which the company propose to give their attention, all is due to Mr. Wm. A. Stuart, of the firm of Stuart & Elder, 204 Front street, San Francisco. The people of Sonoma and Napa counties have much to thank Mr. Stuart for, as it is to his unwavering energy and unstinted expenditure of money that Sonoma County today owes the development of her vast mineral resources. Besides the gentlemen before mentioned, Mr. Stuart still retains Mr. W. P. Litten as his assistant in the mineral department. Mr. Litten has been closely associated with Mr. Stuart in all his mining

operations, and is well known as being identified with the development of our quicksilver interests from the start. I will endeavor shortly to write you the progress in development of all our mines. MINER.

On the Value of Colorado Coals in Metallurgy.

BY W. WEST.

[From Mining Review]

In view of the great and rapid development which will take place in our mining industry and consequent necessity for the treatment of the minerals as they are produced, the fuel question is a most vital one to Colorado. Not that there is any doubt as to quantity, or eventually as to quality, but its constitution and physical character are so different from any in general use in metallurgy, that new forms of construction in furnaces, and new modes of applications to secure a perfect combustion and the temperature required, will be necessary. The subject has hitherto remained in the hands of theorists, and in no case have the experiments been of magnitude and duration. We may safely add that in no place but the Golden Works have there been any trials of the lignites on a working scale. The work there was varied and continued so long as to be interesting to others who may hereafter try to use the fuel for like purposes. Every experiment is of interest and value as a test of method and as settling questions of theory. Much can be anticipated from the knowledge of the constituents as shown by the analysis, but it is only by testing in the furnace that any definite conclusions can be drawn. This analysis should be made upon coal as delivered at the furnace. The amount of water contained in any fuel used in works of this kind, is the most important consideration, and the samples furnished to experts in distant cities are no guides to what the consumer will receive by the ton at the works. Such samples are always the best that can be found, and often months out of the mine, and dried so much before they reach the assay as to often show mere

traces of moisture they did contain when first raised. The following are approximate analyses of the coals from the various banks as they are delivered by the miner, and shows the amount of water which finds its way to the fire-box :

Erie coal, three days from the mine:

Water.....	22.00
Volatile matter.....	26.00
Carbon.....	44.00
Ash.....	8.00

Murphy's coal, three days from the mine:

Water.....	22.50
Volatile matter.....	29.00
Carbon.....	43.75
Ash.....	4.75

Golden coal, two days from the mine:

Water.....	19.00
Volatile matter.....	30.00
Carbon.....	47.00
Ash.....	4.00

It will at once be seen that the amount of uncombined water is much larger than usually given, and how much it will interfere with the working of a furnace.

When it was decided to build works at Golden, for the smelting of Colorado ores, a furnace was built at the foundry in Golden for the purpose of experimenting with the coal, and for three months I gave my attention to the matter. I came to the conclusion that sufficient heat could be obtained for the purpose of desulphurizing, and no more. The works were built and also one furnace of very large size for calcining. When the works were started I soon found that some of my calculations for obtaining temperature were erroneous. Only heat enough to extend half way along the furnace, and this not sufficient to expel the sulphur, could be obtained. This was with Golden coal. I then tried the Marshall coal, with much better results, but still far from satisfactory, the grates not allowing for a perfect combustion. The back of the fire-box remained full of unburnt fine coal, while the combustion was only on the surface and near the grates.

I then determined to try a gas furnace, so as to have a slow combustion, with the formation of carbonic oxide, and by having

tubes up the walls and around the fire-boxes, to drive in heated air at the bridge. This was a considerable improvement as far as heat was concerned, but here other difficulties presented themselves, arising from the behavior of the coal under the action of the blast. All these coals decrepitate under the action of a forced blast as bad as chloride of sodium, and soon fill the furnace with a mass of dust coal; the blast then can only go through at the weaker places and passes up small chimney passages instead of equally through the whole mass, generally passing between the coal and walls of the furnace, doing injury to the walls to such an extent that this furnace was discarded in consequence of the frequency and cost of repairs.

This property of coal to break into small fragments is the main difficulty to contend with. We have found this to stop the draft of air through the mass, in all the forms of furnaces used thus far, but in the gas furnace the consumption was far beyond any other form, to produce the same results.

I then determined to try a fire-box again, of ordinary construction, with bars so near together as to prevent, as far as possible, the fine coal from passing through, and use a blast to force air through them and the coal, thereby securing a more equal distribution of the air and prevent waste of coal. This was the most successful of any experiment tried, and the large furnace has been doing satisfactory work.

The quantity of moisture contained in most of the coals, in fact, in all, prevents them from being used in the best form for smelting in reverberatories, and necessitates a still further improvement in its application so as to obtain the highest temperature necessary for the operation in such furnaces. To do this I dried the coal by exposure to heated air, in kilns over flues, and then ground it fine, a machine was constructed in which the quantity of both air and coal could be regulated, and then blew in the fine dust. The results obtained showed that every operation that can be performed in such furnaces, with any fuel, can be performed in them by the use of this, also that

the cost of grinding is not half the value of the coal saved, and the most inferior kinds and even the wastes from the coal works can be used by this method if not too dirty.

Mines, Mills and Mining.

Mr. A. O. Noyes informs us that his new ten-stamp mill is up and ready to do good work. This mill is located near the Quartz Mountain saw-mill, on Groom Creek, six miles south of Prescott, in the midst of splendid mines, timber and pasturage. A good road connects it with Prescott. Mr. Noyes has done most of the work of erecting the mill, and it is, like all of his work, *good*. It is his purpose to do custom-work, and we hope that owners of mines will now go to work and keep the mill supplied with ore. Noyes is prepared to work ores containing silver as well as gold, in a satisfactory manner and for a reasonable price per ton. May success crown his efforts, is the prayer of the MINER.

Col. Jackson arrived here Saturday last, from his Del Pasco quartz-mill, which he has had to "shut down" on account of scarcity of water. Previous to suspending operations, he worked several tons of ore from his claim on the War Eagle lode, which yielded at the rate of \$40 per ton. He is well pleased with this result. His next move will be to erect a *ten*-stamp mill, at a place where there is an unfailing supply of water. While this move is being carried through he will keep five or six miners employed taking out ore. Mr. Jackson is an old miner and has the courage and business tact to achieve success.

Col. Edward Cany is elated over very rich prospects from some of his ledges in Hassayampa District. We have known this gentleman since 1865; know that he has spent a small fortune in prospecting and opening mines here, that he is a true Arizonian, who will never "jump" the country should he succeed in unearthing a few thousand dollars, so we are highly pleased at knowing that he will soon be rewarded for his efforts in the good cause.

MOHAVE COUNTY.

Judging by remarks of Gov. Safford, made after his return here from Mohave County, we take it that he considers the mining districts of our sister county as rich in the precious metals as the richest of Nevada mining districts. He spoke of the Keystone, Hope and several other mines, in the very highest terms, and prophesied that the Krom Concentrator, now operating in Mineral Park, will do its work well, and that in time, hundreds of such machines will be in operation in the several counties.

YUMA COUNTY.

When we landed at Arizona City (now Yuma), in 1863, men talked wildly (we thought) of the great richness of the mines of Castle Dome District, some of which mines are now being worked, with profit, by such good men as Messrs. Miller, Hopkins, Polhamus, Siebold and Gunther. Our dispatches from Yuma tell what these men have done and what they are still doing, so, to said dispatches we direct the reader's attention.

At Picacho, in same county, Mr. James Spann, Recorder of the county, and some San Francisco gentlemen are operating a mill and mine, so that the prospects of our old "stamping ground" are bright as silver and gold can make them.

PIMA COUNTY.

Other dispatches explain what is being done in the way of mining in Pima County. The placer diggings of Cañada de Oro, so often spoken of, are on the northern slope of St. Catarina Mountains. We passed them in 1871, soon after Indians had attacked the large freight train of Messrs. Tully, Ochoa & Co., of Tucson. At that time, Indians kept said diggings from being worked, but now, thanks to Gen. Crook, the Savior of Arizona, Indians are quiet, and these diggings are yielding ounce upon ounce of gold—the noblest of metals. The winter rains will enable the owners to work them extensively and, of course, to make pounds of gold where only ounces are now secured.

The English mining company that is now preparing for active operations in the southern part of Pima County, will, it is said, make analyses free of charge to all prospectors.

We have very gratifying news from the Quahate District, near Florence. The ore recently shipped to, and worked in, San Francisco, yielded enormously, and owners of claims are jubilant. The greatest drawback to work in the district is a scarcity of water, but the "boys" are going down, down in the bowels of the earth, with fair prospects of finding plenty.

It will soon be eleven years since we came to this Territory, and we hazard nothing in stating that the mining situation has never before appeared as encouraging as it does at present. Our people have quit dreaming and are now working out their salvation and that of the Territory by the "pitching in" process. That is, they are working quartz without the aid of large capitalists, and making it pay. May God continue to crown the efforts of our brave miners with success, and enable the Territory to speedily proclaim her independence as a sovereign State of the Union.—*Arizona Miner*.

Pine Mountain.

Mr. John Broder returned a few days since from a visit to the Broder-Moffatt mines at Pine Mountain. He ordered work continued on the "Last Chance," the ledge generally referred to as the Moffat mine. Although the developments in this and other mines of the district are deemed quite sufficient to justify the erection of a furnace, which, we are assured, will be done next spring, if not sooner, the lateness of the season being the only reason for a postponement. We are told by experts, in whom we have confidence, that the ores of Pine Mountain, like those of Sylvania, are of the very best smelting class, there being positively nothing contained in any of them to clog or "freeze" a furnace. The average value of the galena ores proper, of which there is an abundance, as determined by numerous assays, is \$73.70 silver per ton. Besides this

class there is an immense amount of carbonized lead ore, treated as refuse, some of which Mr. Broder brought in and had assayed by Mr. John A. Knapp, manager of the Swansea works. Lot 1 gave 54 per cent. lead, and 29.16 ounces silver per ton, worth \$37.42. Lots 2 and 3 gave a slight percentage less in lead but silver value the same, being an average of \$34.80 in silver per ton. The choice ores run as high as \$270, and all considered, Pine Mountain is certain to be one of our most valuable furnace districts, and one, too, so situated as to be of great advantage to the interests of the central or agricultural portion of this valley—relatively of more value in that respect than Cerro Gordo and Panamint both together, since the bulk of everything of the kind from these two, owing to their geographical position, is lost to us entirely.—*Inyo Independent*.

Mine Swindler's Confession.

"One C. A. Robeson has, during the past ten years, at different points, raised companies to go and work rich quartz leads which he pretended to have discovered. He would extract from each of his deluded companions a hundred dollars or so, and, after leading them on a wild-goose chase, would evade them, carrying off his ill-gotten gains, amounting in each case to thousands of dollars. He has played this game successfully half-a-dozen times. This year he has organized a party in Mansfield, Ohio, and took them to Shoshone County, Idaho. He appears to have been unable to escape from them, and writes a confession dated, "In camp on Robeson's Ledges, Shoshone City, Idaho, September 2d, 1874," in which he confesses his misdeeds under oath, and in the presence of witnesses. It is published in full in the *Lewiston Northerner*, and is a curious document. He says that all the maps and written directions given to find the ledges to different parties differ from each other, and were incorrect. He admits this purposely, and admits that all the statements in regard to the ledges have been in each and every instance a swindle. The confession reads as if it were written under

fears that he would have been lynched, as he would have been in some parts of the country.'—*Scientific Press*.

If all the men in San Francisco who are engaged in the same disreputable business as that of Robeson were to make a confession of their dark deeds, we venture the assertion that it would fill a volume—nonpareil solid—as large as Webster's Unabridged.

Mining Notes.

[From Mining Review.]

CLEAR CREEK COUNTY.

Rogers Lode is looking well in all the workings. It is being worked entirely by leasers, and all hands are satisfied.

Polar Star Lode. The tunnel on the vein has been connected with the shaft at a depth of 185 feet. It is not yielding as well as formerly.

The eastern extension of this lode, worked by Leyden & Co., under lease, is producing good ore in fair quantities.

Hesperus Lode, still turning out ore.

Sunburst Lode, a new discovery, made a week ago, about 700 feet west of the Astor Lode, on Democrat Mountain, has produced one and a half tons in sinking ten feet, five feet of which was through slide. The crevice shows at least a foot of solid ore, worth about 325 ounces.

Denver Lode, on Sherman Mountain, owned by McMurdy and others, has just opened and is yielding well. They have already taken out two tons of 700 ounce ore.

Hercules Lode. Working five men and is producing considerable ore, first-class worth 200 ounces silver and 40 per cent. lead, second-class runs from 100 to 130 ounces.

Terrible Lode, looking well as ever, sixth level fifty feet in length, good ore all the way. Seventh level run forty feet west and shows well, shaft being sunk below this level.

Leavenworth Tunnel. In 750 feet. A contract has just been let for 100 ft. more. At a distance of 650 feet a cross cut was

driven, which showed the crevice to be 27 feet wide between walls. A little mineral was found on the south wall which assayed 154 ounces.

Colorado Central Lode shows a good body of ore in the bottom of shaft, which is 150 feet deep. The drift has been driven 55 feet west of this shaft and carries ore all the way. Last run gave 370 ounces of silver per ton.

The Marshall Tunnel Co., who own the east end of this lode, are also getting good ore.

Gates Lode has paid since it was first struck in the Roberts & Kirtley tunnel, and is still producing well.

Simpson Lode. Shaft down 100 feet, a drift 65 feet from surface has been driven 50 feet west. Crevice looks well but no ore yet in paying quantities.

Stonewall Lode, just above the Simpson, is turning out a little good ore from near the surface.

Comet Lode. Work on this mine has been commenced, in the portion owned by an eastern company, under the management of Mr. Bannister.

SUMMIT COUNTY.

At Lincoln City, Cobb, Harman & Phillips have been doing a fair business the past season in French Gulch. In Webber Gulch, they have also worked a large amount of dirt, but with what results we are at present unable to say. A large cut on the rim rock opposite the town has been made by the same parties with good results.

Spears & Conant have two furnaces running night and day, turning out about $2\frac{1}{2}$ tons of lead bullion in the 24 hours. They are working from 25 to 30 men, and intend to work as many during the winter.

Harvey Fellows, who bought the ground formerly owned by McFarland, has been working 10 men during the summer, and has cleared from two to three thousand dollars during the season.

Next below, the Badger M. & F. Co. have been working 10 men. They have widened their cut to 75 feet. The flume is now

nearly on bed rock, and is twenty-one hundred feet long. The mine is in excellent condition and nothing is to hinder large returns next summer.

Negro and Mago Gulches, owned by Col. T. H. Fuller, yielded about 300 ounces of gold this season, with a force of 8 men.

At Stilson Patch, Hangs & Morvers have been working on their old ground, and are taking out about seven dollars per day to the man. Below this, the Blue River Mining Co. have been working with good results.

The workings at Georgia Gulch have been very satisfactory this season. At Salt Lick Gulch, the owners have made a good showing the past summer.

Greenleaf & Co. have been working a large force of men at Lomax Gulch, and at Gold Hill, and we believe have done well.

Taber, Musgrove & Co., at the Blue River Park Mine, have lumber on the ground to build a 200-foot boom flume, 5 feet wide, ready for operation next spring.

The water has been low all the season, and on this account much less gold has been taken out than would otherwise have been the case. There has, however, been considerable prospecting and developing of old lodes in the county. Gulch mining is about closing for the season.

Campbell & Baird have been running their flume in Glazier Gulch, and are very near bed rock.

LAKE COUNTY.

From the *Sentinel* we learn that a large force of men are at work on the ditch from the Arkansas River to California and Iowa Gulches, and it will be completed shortly to Oro City.

At Granite, Mr. Leshure has dressing works nearly finished, and will soon be buying ore. The season has been unusually lively.

Smelting works are being erected at Chalk Creek, one of the best districts in the county. The Lea Bros. have a lode at the head of Evans Gulch that assays 500 ozs. in silver and 31 per cent. in copper. Major De Marie has a number of promising veins

in this vicinity, two of which give an average of 130 ozs. of silver to the ton.

The Printer Boy is again looking finely. The mill started up a short time ago, and is running on a quantity of rich ore. Considerable dead work has been done in the mine the past month, with flattering results.

[From the Scientific Press.]

AMADOR COUNTY.

The Big Ditch. *Dispatch*, Oct. 10: The pipe for repairing the recent break in the Amador Canal has been placed in position, and the water is now rapidly flowing to the distributing reservoir. Miners who have been waiting for a supply of water from this ditch can now commence preparing to work their claims.

Quicksilver. Reports from the Amador Quicksilver Mine continue to be of the most favorable character. It is being developed as rapidly as the means of the stockholders will permit.

Progressing. Work on the new hoisting works at the Oneida Mine is progressing finely, and when completed will be one of the most substantial character.

CALAVERAS COUNTY.

Gwin Mine. *Chronicle*, Oct. 10: Intelligence from the Gwin Mine is of the most encouraging character. The ledge in the 900-ft. level has widened out to twenty-two feet, with the quality of the rock good and improving. Thirty-six stamps are in motion. Our statement last week that the "aggregate yield of the mine is \$6,000 per month," was an error. We meant to say "week" instead of "month."

San Bruno. Everything continues favorable at the San Bruno Mine in Mosquito Gulch. Another crushing of rock is mined, hauled to the mill, and the stamps will be set at work upon it next Monday morning. The yield of the San Bruno, since the pay chimney was struck, has been enormous, and there are no indications that the mine will ever "let up."

West Point District. Levels are being run from the main shaft of the Mina Rica

at the depth of 110 feet. The vein is five feet wide, 2 feet of No. 1, and 3 feet of low grade ore. Twenty tons, crushed at Harris' custom mill, yielded \$35 per ton of free gold; the low grade will average near \$10 per ton.

All the deeper workings in the gold-quartz mines are proving to be profitable investments, beyond expectation, and without a single exception.

COLUSA COUNTY.

The Elgin Mine. *Colusa Sun*, October 10: We are pleased to announce that the Elgin Quicksilver Mine is in a prosperous condition, and its fortunate owners are taking out large quantities of the precious metal. On Wednesday they shipped nine tanks of quicksilver to San Francisco. Our fellow-townsmen, E. Chapin, is one of the principal owners in this mine, and we are glad to record the good fortune of that gentleman and those who are associated with him.

INYO COUNTY.

Panamint. *Cor. San Bernardino Argus*. There is a plentiful supply of water in the canyon. The town is flourishing, and the sounds of the hammer are heard in all directions. We have one store of general merchandise, butcher shop, restaurant, barber shop, two physicians, several lawyers and any number of rum mills. The Surprise Valley Mill and Water Company, of San Francisco, are at work and doing all that can be done with lack of tools. In a few days every man who wants work can get it.

Trails and roads are being built to the mills, grading for mill sites and improvements generally are the order of the day. I have never been in a more lively camp, and a future is predicted that will be second to not even Virginia. The mines look exceedingly well, showing as fine looking ore as is ever seen for such large veins, varying as they do from three feet to thirteen and fourteen feet. The town site is about 5,000 feet above the level of the sea, and the mines vary from six to eight thousand feet above the same base. The climate is delightful.

Snow does not remain in the valley but a very short time, and is rarely more than twelve inches deep. Lumber is scarce and commands a high price.

LAKE COUNTY.

Our mines.—*Lake County Bee*, of Oct. 8: Our chrome mine, three miles south of town, still yields its ore by the ton, and from present prospects will continue to do so. Quicksilver casts reflections all around us, so that our valleys and mountains may in time become stupendous convex and concave mirrors used for astronomical observation in discovering the inhabitants of Mars.

NEVADA COUNTY.

Columbia Hill.—*Transcript*, Oct. 10: We learn that the Eureka Lake Water and Mining Company are going to put seventy-five or a hundred men at work on mining ground owned by them at Columbia Hill, the coming winter.

The Union Gravel mining company at Kennebec Hill have stopped operations for want of water. They have commenced cleaning up their sluices and will complete their work in a few more days.

NAPA COUNTY.

Items.—*Free Press*: A recent assay of quartz from the Bourbon Silver mine reached \$560 to the ton. The mine is located on Mt. St. Helena, near the Calistoga Silver mine, and is the property of Foss & Connelly.

Ore is being taken from three levels on the Calistoga Silver mine, at the rate of about fifty tons a day. Over a thousand tons of ore is piled up ready for milling this winter. The mills run night and day.

—The *Mining Review* says: There is, just at present, considerable excitement over recent discoveries of gold lodes in Sunshine District, Boulder County. There can be no doubt that most of the veins thus far opened are exceedingly rich.

We saw several specimens from a lode just discovered, which were literally covered with gold. If these veins hold their own as depth is obtained this will be one of the richest districts in the Territory. Very little

work, however, has been done on any of them; the deepest hole yet is only 40 feet. The vein of pay rock is small, but one can afford to be some time in getting out a ton of ore that is worth from 5 to 15 dollars per pound. This district is only a short distance from Boulder, and the difficulties generally attending the development of a new mining region will not be felt here.

The American Mine, which was only opened three months ago, has been sold for \$17,000, a very reasonable figure if its reputation is worth anything. Prof. J. Alden Smith has a box of ore from it worth \$10 per pound. Much of the mineral, to one not acquainted, appears worthless rock. From all accounts we should judge this to be a good district for the prospector.

—The *Arizona Miner* says: "We are not in favor of 'jumping' claims of any sort, but believe there ought to be a limit to this eternal holding of mining claims by persons who never expect to develop them. 'It takes a mine to work a mine,' is an old saying—not true in every case of course, but eminently so in many cases. We place but little confidence in 'capitalists,' or agents for such, who are everlastingly telling everybody they meet what they and their backers are going to do. Give us the earnest strokes of the industrious, determined miner in preference to these gentry. He can, by hard work, develop his ledge without swindling anybody, while your loud-mouthed mining agent or superintendent is gulling his backers (if he has any), the storekeepers, the miners and others. Elbow-grease has done a great deal for Arizona, and glib-tongued rascals have done a great deal against her.

"Let all her people, then, aid, assist and encourage the honest miner to get hold of a good ledge, work it and make it a source of benefit to the Territory and country. The man who lays claim to a good ledge, does not work it and will let nobody else work it, is a foe to progress and a stumbling-block in the way of good men.

"Let Congress, at its coming session, raise its blockade of the mines."

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FINANCE AND TRADE.

Savings Banks in the United States.

Congress passed an act, which was approved February 19th, 1873, directing the Comptroller of the Currency to include in his exhibit "the condition of banks, banking companies, and savings banks organized under the laws of the several States and Territories." The Comptroller, in his last report, says that, with the exception of the six New England States, New York, New Jersey, and the District of Columbia, he has been unable to gather any official returns which could be placed in the tabular form of an accurate statement of either resources or liabilities. Only about twenty-eight States have made any reply to his application for information. Ten of the number answer that they have no information to give; and ten others have made returns, but in such forms that they cannot be put into satisfactory statements. In many of the States savings banks are not required to make any report to the State authorities.

Outside of New England, New York, New Jersey and California, the savings bank system is not only comparatively limited in its operations, but is not subject to such supervisory legislation as the best interests of depositors demand.

The Comptroller, in his annual report, submits a statement showing the resources and liabilities of the savings banks of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey and the District of Columbia. We compile from this statement the following aggregates as to resources:

Maine, November, 1872.....	\$26,154,333
New Hampshire, February, 1872.....	25,578,541
Vermont, July, 1872.....	3,945,869
Massachusetts, October, 1872.....	187,842,561
Rhode Island, December, 1872.....	44,211,372
Connecticut, January, 1873.....	71,271,391
New York, January, 1873.....	305,330,334
New Jersey, January, 1873.....	30,629,545
District of Columbia, July, 1873.....	6,265,446
Total.....	\$701,239,392

By adding to this total the resources of the Savings Banks of this State, which aggregated \$67,420,940 on the first day of July last, we have a grand total for these nine States, including the District of Columbia, of \$778,650,332.

This statement of the Comptroller, though the best that he could make with the information obtained, covers considerably less than the whole of the resources held by all the savings institutions of this country. The total amount at the present time cannot fall much short of one billion dollars.

This enormous sum of savings deposits speaks well for the thrift of the American people, and is the best evidence we can have of the remunerative system of labor in this country, as these deposits mostly belong to the laboring classes; and when so much economy is displayed, there must be great happiness and contentment and a large degree of virtue and morality. But there is one thing in connection with these figures to which we wish to direct the attention of our readers, viz: the showing which California makes as compared to her sister States in the East. It will be seen by the above figures that only three States, New York, Massachusetts and Connecticut, have a larger amount of savings bank deposits, and when we consider the age and popula-

tion of those States as compared to that of our own, California really occupies the front rank. But not only does she stand well in this respect, but she also stands at the head of the list as to average amount of deposits to the credit of depositors and average earnings year by year. The first amounts to \$809 to each depositor, and the second to about 10 per cent. per annum on the deposits. During the last seven years the depositors in our banks have received dividends on their deposits aggregating \$24,757,000. This has never been equaled by any other State or country.

But not only are our banks more profitable to their patrons, but they are equally as safe as the savings banks of any other section. The laws regulating their management are strict, and the directory are reliable.—*Banker and Depositor.*

The Eastern Money Market.

During the week ending October 1st, there was a very decided change in the condition of affairs in Wall Street, and the speculative movement that has so long seemed on the point of breaking out has at last commenced in earnest; and yet it has been so free from the usual excitements and vibrations of what is called on the Stock Exchange "a bull campaign" that it may be accepted as a natural rise in prices, rather than as the result of a combination for a speculative advance. And, indeed, there are no reasons for believing that there are any cliques operating for a rise. The idea seems to have slowly dawned upon the minds of capitalists that, while state securities which pay but 6 per cent. sell at 105, and government bonds which pay 5 per cent. sell at par, and New York Central Railroad bonds which pay but 7 per cent. command prices ranging from 108 to 108½, the stocks that pay 2 per cent. quarterly are amazingly cheap at 78, and that, if New York Central bonds are desirable investments at 108, the stock of the same company, which pays 4 per cent. semi-annually, must be much more desirable at 105.

The prices realized for stocks during that week indicate great strength in the speculative movement, and, as the upward turn appears to have but just commenced, a much higher range of prices is anticipated. There is also a more favorable feeling among generally; and in the dry goods trade jobbers represent that they have been doing better the past week than at any time since the opening of the season. The check to the decline in domestic cottons by the resolution of the mill owners in New England to run but two-thirds time, is expected and doubtless will be productive of a healthy influence.

The gold market has continued to exhibit weakness, and the price has settled down to 109½; but, if it were not for the efforts of speculators in the Gold Room, there is nothing to prevent gold settling down to 105.

Money continues very abundant on call loans at 2 to 3 per cent., notwithstanding the increased demand, on account of the activity in the stock market, which calls for much larger sums. The stock brokers find no difficulty whatever in supplying themselves with all they need on miscellaneous securities, at 2½ to 3 per cent.

The Bank Statement still affords evidence that money is still flowing to the centre, and that loans are diminishing, in spite of the increase in business. The loans have decreased the past week \$1,029,000, the specie has decreased \$1,032,000, while the legal-tender has increased \$895,600. The decrease in the surplus reserve is but \$41,600. The 25 per cent. reserve held by the Associated Banks is \$59,115,000, being \$25,505,000 in excess of the required amount.

The financial situation is strong, and the general outlook is highly promising for the business community.

The Treasury balances at the close on Saturday before the 1st, in Washington, were: Currency, \$14,117,000 and coin \$74,500,000, including \$27,330,000 coin certificates. The internal revenue receipts footed up \$250,000. The Treasury at Washington received \$135,000 in national bank-notes for redemption.

Commerce of the United States.

The *Commercial and Financial Chronicle* gives a tabulated statement of the foreign trade of the United States for the several fiscal years from 1863 to January 1st, 1874, making a period of eleven and a half years. We reproduce the statement as follows:

IMPORTS.			
Merchandise.	Specie and Bullion.	Total.	
1863.....	\$243,335,815	\$1,584,105	\$252,919,920
1864.....	316,447,283	13,115,612	329,562,895
1865.....	238,745,589	9,810,072	248,555,662
1866.....	434,812,066	10,700,092	445,512,158
1867.....	395,763,109	22,070,475	417,833,575
1868.....	357,436,440	14,188,368	371,624,808
1869.....	417,506,379	19,807,876	437,314,253
1870.....	438,958,408	26,419,179	465,377,587
1871.....	520,223,684	21,270,024	541,493,708
1872.....	726,595,077	13,743,689	640,338,766
1873.....	642,126,810	21,480,937	663,617,747
1874*..	263,431,790	21,828,698	285,260,488
	\$895,391,832	\$204,019,127	\$5,099,410,959

*Six months ending Jan. 1st, 1874.

EXPORT.			
Merchandise.	Specie and Bullion.	Total.	
1863.....	\$203,964,447	\$64,156,611	\$268,121,058
1864.....	158,837,988	105,396,541	264,234,529
1865.....	166,029,303	67,643,226	233,672,529
1866.....	348,859,522	86,044,071	434,903,593
1867.....	292,361,225	60,868,372	353,229,597
1868.....	281,952,899	93,784,105	375,737,004
1869.....	283,117,697	57,133,380	340,251,077
1870.....	392,771,768	58,155,666	450,927,434
1871.....	442,820,178	98,441,988	541,262,166
1872.....	444,177,586	79,877,534	524,055,120
1873.....	522,479,922	84,608,574	607,088,496
1874*..	276,828,879	29,850,126	306,679,005
	\$3,817,201,414	\$885,695,194	\$4,703,166,608

*Six months ending Jan. 1st, 1874.

These figures show that the imports of merchandise for the above period exceeded the exports by the sum of \$1,078,190,418; that the exports of specie and bullion exceeded the imports of the same by the sum of \$681,946,067; and that the imports of merchandise, specie and bullion exceeded the exports by the sum of \$396,244,351. The last of these sums presents the aggregate of the balance of trade against this country for eleven and a half years, according to the showing of custom-house statistics. The aggregate on merchandise is more than a billion of dollars; yet this is

reduced by a large excess in the exports of specie and bullion over imports.

This estimate takes no account of the amount paid for freights to foreign ship-owners or of the interest on our foreign debt. Adding these two items, which the *Chronicle* places at \$400,000,000, we have an aggregate of \$796,244,351 as the balance of foreign indebtedness arising from our international trade for the above period. But for our large production and exportation of gold the balance of trade would have been much greater, assuming the imports and exports of merchandise to have remained the same. Our currency system creates but little use for gold as money; and, hence, it has gone abroad, as the thing we could best spare in exchange for foreign products.

City and Country Homes.

One of our exchanges in commenting upon this subject says that large cities have plenty of palaces and hovels, but very few real homes. It claims, and very justly too, that the city is not a good place to cultivate those social and domestic virtues that make people happy and life worth living for. Everything about a city is as stiff and formal as the rectangular walls of the buildings. Fashion reigns with omnipotent sway and many live for no higher purpose than to worship at the shrine of this fickle goddess. Vice holds out a thousand tempting amusements to the young, and children brought up in the city undergo an ordeal unknown to those who live in the quiet of the country. Many a promising youth, who has a happy home and all that heart could wish in the retirement of the country, is captivated by visions of city splendor, and longs to mingle in its giddy whirl of fashion and folly. He ventures into the charmed circle, where he expects to win fame and make a splendid fortune, and after battling a while with temptation surrenders to the influence of vice, and becomes either an idle loafer, a drunkard or a debauchee.

If it were possible to ascertain the percentage of those youths who leave the country to make their fortunes in the city, the

percentage that make shipwreck of health, happiness, virtue, honor, honesty, manhood, everything in fact that is dear, we should be astonished at the frightful result. We do not mean to say that no enterprising youth ever bettered his condition by exchanging the country for town; but that such cases would form the exception instead of the rule. When merchants, mechanics or professional men change from a provincial town to a metropolis to find a wider field for their talent or capital there is a much better chance of success.

But, after all, there is no place so well suited to make a happy home, as some good neighborhood in the rural districts. In America, the word home has a higher and better significance than in the old world. In most countries of Europe but few cultivators of the soil own the land which they occupy. They may have a leasehold, but actually own neither house nor land. With us matters are entirely different. The poorest man may easily acquire his eighty or one hundred and sixty acres, and live as independently as any European lord. Under these circumstances of absolute ownership, there is a powerful motive, inducing us to surround our homes with everything comfortable, convenient, or simply beautiful. By doing this, the industrious and intelligent farmer educates his children in the love of whatever is useful or beautiful, and a dislike for whatever is mean, low or vicious; and the associations that cluster around the old homestead, will live to cheer and bless us through the longest life.

Young man, if you have a pleasant home in the country, a little farm and the chance of a pleasant wife and children, stay where you are, and not risk a life's happiness in the deceptive eddies and whirlpools of city life.

—Livermore, Alameda County, is to have a National Gold Bank. Steps have already been taken, looking to a speedy organization of such an institution in that aspiring country village. Should the enterprise be carried out, Alameda County would then have four banks within her borders.

Resumption of Specie Payments.

This question is attracting more and more attention constantly at the hands of the monetary papers and eminent financiers. Most of them say that they see no indication that inflation is gaining strength; on the contrary, they are inclined to think that the drift of public opinion this fall is toward an abandonment of the delusion that the panic was caused by the lack of currency, and recovery from its effects requires more currency, and toward a disposition to leave things as they are. The *Financier*, in commenting upon this subject, says that the veto saved the country from the downward plunge, and that the people are indisposed at present to take that plunge, is something to take courage for; but that they are willing to stay on the brink is good cause for anxiety. The same journal says that the policy of delay and inactivity, it must be admitted, is one by which inflation gains and resumption loses. This latter is the positive and forward movement; the action and attack are with it, and it wears out by delay. In the present condition, politicians meet in convention, resolve that a moderate increase of paper to meet the wants of business would be pleasant, if they dare, or in some States solemnly repeat the old "pledge" to resume some time or other; politicians in congress and on the stump talk inflation; occasionally a serious attempt to destroy the resumption cause altogether is made and barely defeated; and the people are becoming more wonted to handling paper and resting satisfied with a vague promise and a mild wonder whether we shall any of us live to see coin in general circulation again. Shall we? Upon whom and what does the answer to this question depend but upon the people of the East? The serious danger is that further delay will so accustom the people to the present situation, so dull their perception of both the moral obligation and the real advantages of resumption, so magnify the apparent difficulty and sacrifice of getting out of the slough, and so fritter away the courage and manliness necessary

to make an honest effort, that the time remaining in which voluntary return to specie is possible will be allowed to pass and nothing be done. The struggle is certain to be renewed next winter in some form, and there is no duty so high and immediate now before the people as to seriously study the situation and come to a deliberate conclusion. The choice ought to be made, whether we will now take some positive action for an early escape from the financial slough, or else stay in it and await the certain consequences.

—The Commercial banks of this city have been very heavily drawn upon by the interior banks in order that farmers and others in the various sections of the country might get such accommodations as they may need before they realize upon their crops. This makes money a little scarce at some of these institutions at present, and the discounting of commercial paper is not so easily secured as it will be as soon as these balances are squared up.

The Decline of Foreign Immigration.

The falling off of European immigration to the United States continues to excite remark, with no lack of suggestions professing to explain it—If at this late day it needs any explanation. The arrivals at this port during the month of August just ended, we see, are officially returned at 15,041, which is a decrease of 4,000 compared with those of the corresponding month in 1873. As regards the country at large, the falling off is quite as noticeable. The Bureau of Statistics presents the case as follows :

Six months ending December 31, 1873.....173,198
Six months ending June 30, 1874.....139,708

Decrease in 1874..... 33,490

One need not look far for the causes which have been and still are at work to make this decrease inevitable. The partial paralysis of nearly all the great industrial interests following the financial troubles of last September—a paralysis, however, from which they are now steadily recovering—had much but not all to do with it. The anti-emigration policy of the German Government, and the fact that emigrants are now compelled to pay full rates on the German railroads, have exerted an influence in the same direction, not to be overlooked in calculations of this kind.

The English journals, we observe, abound with communications from various people who had emigrated to the United States in the early part

of last spring, but found here so many discouragements as to employments, wages, the dearth of living, etc., that they thought it best to return home and fight out the battle of life on their own ground. As a whole, these persons do not appear to have penetrated further into the country than New York and Philadelphia, nor to have tarried among us longer than a few weeks. We infer that the most of them belonged to the mechanic and artisan class, and were possessed of small means. There is no question that what they say of the scarcity of employment and the dearth of living is correct as regards our great cities, but it is a question whether their experiences would not have been more favorable if they had had the courage to take money which they must have paid for their return passage and purchased a railroad ticket for parts of the country where the labor market is not so overstocked as it is in the densely-populated cities of the seaboard. The demand for agricultural labor, in the Northwestern States, is almost unlimited; but as it is sometimes objected that the average English artisan is as helpless on American soil as he would be on a farm at home, the favorable inducements which some of the Southern States are constantly holding out for skilled labor, ought not to be overlooked. Virginia, the Carolinas and Georgia to-day would open their arms to receive them, as likewise would Northern Alabama and East Tennessee. It is singular that the various European agencies for promoting emigration to the United States do not attach more importance to the outlets in that direction than they do. Grant that there are some reasons why settlement in that part of the country is less desirable than in the States, where the race is of a more homogeneous character, there still remain attractions and advantages of a very solid description. As to the large numbers of emigrants who are just now going back to the old country—many of them doubtless moved thereto by the prevailing low rates of passage—it is a noticeable fact but a very inconsiderable proportion are German and Irish. The reason of this is easily understood. The former, with the determination characteristic of their race, come here for better or worse, and determined to make the best even of a bad situation; the former, as a rule, are not endowed with enough of this world's goods to enable them to return home, even if they so desired. It is the English artisan class, who are usually possessed of means enough to enable them to return if they are so minded, that constitute the great majority of these returning emigrants. In the ordinary course of events, however, the tide must soon turn the other way. When the industrial interests of the country recover from the embarrassments temporarily entailed by the financial whirlwind of last year, even this class will have occasion to think better of us.—*Merchant and Banker.*

Financial Items.

We clip the following interesting financial summary from the commercial columns of the daily papers :

—The merchandise and produce exports from San Francisco by water for the month of September compare as follows:

August.	1873.	1874.
New York.....	\$330,300	\$222,000
Great Britain.....	1,640,000	1,694,500
Hawaiian Islands.....	27,700	40,900
British Columbia.....	50,400	63,100
Mexico.....	62,400	103,100
China.....	68,000	130,100
Japan.....	78,300	35,200
Peru.....	45,200	103,600
Chile.....	7,000	—
Australia.....	42,900	22,200
New Zealand.....	8,500	19,500
Philippine Islands.....	—	14,400
Society Islands.....	25,400	14,600
Central America.....	56,600	22,700
Panama.....	22,500	12,900
Other foreign ports.....	18,400	9,400
Totals.....	\$2,492,600	\$2,518,200

The trade for the past month has been quite satisfactory, and the largest for any month this year since February. During the same month in 1872, the amount was \$2,783,200, against \$1,692,200 in 1871 and \$1,557,100 in 1870.

The treasure shipments for the past month have been as follows :

September.	1873.	1874.
New York.....	\$911,800	\$3,344,200
England.....	1,400	20,000
China.....	239,300	551,900
Central America.....	46,400	35,000
Peru.....	307,000	—
Totals.....	\$1,505,900	\$3,951,100

During the same month in 1872, the amount shipped was \$685,200, against \$2,331,400 in 1871 and \$2,275,300 in 1870. The descriptions of treasure in the foregoing table are annexed :

September.	1873.	1874.
Gold Bars.....	\$34,200	\$93,500
Silver Bars.....	515,200	980,300
Gold Coin.....	788,100	2,318,400
Silver Coin.....	46,600	348,400
Gold Dust.....	2,000	14,600
Mexican Dollars.....	119,800	125,900
Currency.....	—	70,000
Totals.....	\$1,505,900	\$3,951,100

The large shipments of gold coin last month are noteworthy. Of the total, New York took \$2,220,300, and most of the remainder was shipped to China. The shipment to England direct was in fine silver. All the other fine silver, as well as the fine gold, went to New York. China took the Mexican trade dollars. The combined exports of mer-

chandise and produce from San Francisco by water for the first nine months of the year, together with the shipments of treasure through regular mercantile channels for the same period, have been as follows :

	Merchandise.	Treasure.	Totals.
January.....	\$3,229,500	\$1,500,800	\$4,730,300
February.....	2,577,700	1,542,500	4,120,200
March.....	1,375,500	973,900	2,349,400
April.....	1,392,200	2,874,900	4,267,100
May.....	1,944,500	4,051,200	5,995,700
June.....	1,254,700	2,396,600	3,651,300
July.....	2,040,500	1,635,500	3,676,000
August.....	1,867,200	1,995,600	3,862,800
September.....	2,518,300	3,951,100	6,469,400
Totals.....	\$18,200,100	\$20,922,100	\$39,122,200
Same time '73..	19,753,300	17,830,600	37,583,900

The decrease of \$1,500,000 in the merchandise and produce trade is due to a diminished volume and a lessened value of wheat and flour exports. The shipments of precious metals show an increase of over \$3,000,000, and more than make good the deficiency in the supply of grain exchange. The descriptions of treasure shipped during the nine months are annexed :

	BULLION MOVEMENT.		
1874.	Fine Gold.	Fine Silver.	Gold Dust.
January.....	—	\$761,715	—
February.....	\$8,947	541,911	\$1,590
March.....	750	560,305	—
April.....	545,237	866,263	1,525
May.....	1,678,027	1,099,451	9,170
June.....	481,132	1,105,559	5,917
July.....	310,854	843,431	5,642
August.....	274,070	261,368	3,054
September.....	93,530	980,343	14,560
Totals.....	\$3,392,547	\$7,020,356	\$41,458
In 1873.....	2,487,371	6,305,996	18,465

	COIN MOVEMENT.		
	Gold.	Silver.	Mexican.
January.....	\$427,062	\$312,000	—
February.....	257,566	272,528	\$49,979
March.....	146,457	182,774	83,600
April.....	804,141	501,778	155,925
May.....	457,218	662,393	144,988
June.....	113,186	298,298	392,474
July.....	105,718	272,149	97,714
August.....	814,041	448,918	194,185
September.....	2,318,395	418,385	125,855
Totals.....	\$5,443,780	\$3,369,183	\$1,654,720
In 1873.....	6,207,106	193,886	2,617,817

Separating the coin from the bullion, we have the following result:

	1873.	1874.
Bullion.....	\$8,811,800	\$10,454,400
Coin.....	9,018,800	10,467,700
Totals.....	\$17,830,600	\$20,922,100

Under the head of silver coin, we have included \$130,000 in currency sent to New York in August and September. Otherwise, the large increase in

the shipments of silver coin is due to the movement in trade dollars, which has caused a corresponding diminution in the export of Mexican dollars.

—The following is a statement of the receipts of domestic produce at San Francisco, from July 1st, 1874, to date, compared with the same period in the previous harvest year:

	1873-74.	1874-75.
July 1 to Oct. 4.	July 1 to Oct. 3.	
Flour, qr sks.....	398,284	387,235
Wheat, 100-lb sks.....	3,390,605	2,720,936
Barley, 100-lb sks.....	478,507	311,323
Oats, sks.....	97,199	97,400
Potatoes, sks.....	212,604	188,864
Corn, sks.....	25,361	11,200
Rye, sks.....	5,895	27,400
Buckwheat, sks.....	265	100
Beans, sks.....	13,670	10,846
Bran, sks.....	33,027	31,453
Hay, tons.....	18,714	24,171
Salt, tons.....	2,091	2,419
Wool, bales.....	26,073	23,231
Hides, No.....	34,312	46,468

—Following is a statement of the receipts and disbursements of the United States Assistant Treasurer in this city for September:

RECEIPTS.	
Customs.....	\$689,359.29
Internal Revenue tax.....	182,216.84
Internal Revenue stamps.....	18,326.60
Sales of land.....	48,686.07
Patent fees.....	785.00
Transfers.....	500,000.00
Post-office department.....	20,562.90
Disbursing officers.....	1,397,013.03
Various sources.....	82,879.54
Total receipts.....	\$2,939,842.27

DISBURSEMENTS.	
Treasury drafts.....	\$934,456.43
Post-office department drafts.....	15,147.73
Disbursing officers' checks.....	1,245,477.18
Total disbursements.....	\$2,195,081.34

The receipts of treasure at San Francisco for the quarter ending September 30th, through Wells, Fargo & Co's Express, amounted to \$10,237,700, which has been very evenly distributed through the quarter. Of the total amount, \$4,614,400 was in fine silver, \$2,025,900 in fine gold and dust, and \$2,997,300 in coin. During the corresponding quarter last year, the amount thus received was \$9,605,700, or \$524,000 less than for the past quarter. We notice a decrease in the receipts from Mexico, probably owing to a lessened demand for Mexican Dollars in consequence of the coinage of Trade Dollars. The total amount received from Mexico in the past quarter is \$285,600, of which \$224,000 was in coin. The total receipts from all sources for the nine months ending September 30th, were

\$29,710,500, consisting of the following descriptions:

1874.	Silver Bullion.	Gold Bullion.	Coin.
January.....	\$959,962	\$383,195	\$820,487
February.....	2,696,461	530,424	714,944
March.....	1,505,833	619,259	670,662
April.....	1,863,418	801,330	729,246
May.....	1,971,468	949,139	907,077
June.....	1,973,575	855,856	1,320,472
July.....	1,464,179	916,168	1,025,573
August.....	1,495,898	918,802	934,119
September.....	1,654,367	790,978	1,037,613
Totals.....	\$14,585,191	\$4,965,151	\$8,160,193
In 1873.....	9,211,843	7,927,122	6,680,663

The large increase in the receipts of fine Silver is noteworthy, and is confirmatory of the augmented production of the Washoe mines. The Gold production of the Coast is evidently on the decrease, the receipts of gold this year being \$1,000,000 less than for the same time last year. The sources of the receipts are annexed:

From northern and southern mines.....	\$26,357,082
From northern coast route.....	1,545,692
From southern coast route.....	468,138
From Mexico.....	1,339,623

Total.....	\$29,710,535
Same time in 1873.....	23,825,628

The increase this year is \$5,885,000. The real gain from domestic sources is \$6,385,000 since there has been a decrease of \$500,000 in the receipts from Mexico. In this falling off of Mexican coin, we see the influence of Trade Dollars to meet the China demand. The monthly remittances of coin inland, through Wells, Fargo & Co's Express compare as follows:

	1873.	1874.
January.....	\$1,491,140	\$1,394,487
February.....	1,102,813	1,108,611
March.....	965,742	963,214
April.....	1,006,849	1,312,070
May.....	858,104	1,573,629
June.....	993,517	1,552,281
July.....	1,061,480	1,917,597
August.....	1,493,211	2,001,436
September.....	1,231,894	2,055,615
Totals.....	\$11,204,716	\$13,878,940

The interior demand for the past quarter has been very large, being \$1,188,000 in excess of the demand for the same quarter last year. A partial explanation of this is found in the increased loans on Wheat. The amount of coin remitted to the interior in the past nine months is \$5,718,000 larger than the amount received. A similar comparison for the same time last year shows an excess of \$4,518,000 in favor of the interior. This method of indicating the flow of coin is necessarily imperfect, since the proportion brought to the city through private channels is always larger than that carried away in the same manner.

The Lee Memorial Monument.

The latest advices from the Memorial Association is that Prof. Edward V. Valentine, the sculptor, having procured from Vermont a block of pure white marble, is fashioning the statue of Gen. Lee, which is to be placed on the grand monument now being erected at his tomb, at the Washington and Lee University, Lexington, Virginia. The figure represents Gen. Lee reposing in an easy, recumbent position upon a couch, his head and shoulders slightly raised above the body, his left arm outstretched by the side of his sword, his right arm laid across his breast. He wears full Confederate uniform, including boots and gauntlets, and a light drapery covers nearly the whole form. The appearance is natural and graceful, indicating peaceful slumber rather than death.

The monument, when surmounted with this fine work of art, will be a lasting memorial to one of Virginia's noblest sons and patriots. The members of this Association are gentlemen well and favorably known by the entire community, who will see that nothing is left undone that will add to the beauty and finish of this great work. We are advised by the Secretary, Mr. Chas. A. Davidson, of Lexington, Virginia, that the funds subscribed are insufficient to complete the monument. In order to further this object they have issued a *life-size* steel engraved portrait of Gen. Lee, to be sold only by subscription, through authorized agents, the proceeds of such sales to be applied toward the completion of the work. An opportunity is here presented to every person, not only to procure, at a reasonable price, a superb life-like portrait of the great General, but to aid in the erection of a lasting monument to his memory. Each subscriber will receive a certificate duly signed by the Secretary and Chairman of the Lee Memorial Association.

We commend this valuable portrait to the public, and predict for it an immense sale. Some energetic person should secure the agency in this

section to assist in this noble work. W. W. Bostwick & Co., Nos. 177 & 179 West Fourth Street, Cincinnati, Ohio, have been appointed General Managers of all agencies in the United States. All communications addressed to the above firm for circulars, certificates and terms to agents, will receive their immediate attention.

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DECEMBER, 1874.

NO 3.

INSURANCE.

Supreme Court of the United States.

No. 35.—OCTOBER TERM, 1874.

<p>The Home Insurance Company of New York, Plaintiff in Er- ror, vs. John F Morse and Charles C. Paige,</p>	}	<p>In error to the Supreme Court of the State of Wisconsin.</p>
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Mr. Justice Hunt delivered the opinion of the Court.

This action was commenced in the Circuit Court of Winnebago County, Wisconsin, to recover the amount alleged to be due upon a policy of insurance issued by the plaintiffs in error to the defendants in error upon the steamboat *Diamond*. The Home Insurance Company is a corporation organized under the laws of the State of New York, and having its office and principal place of business in the city of New York.

The company entered its appearance in the Winnebago County suit, and filed its petition to remove the cause to the United States Circuit Court for the Eastern District of Wisconsin. The petition was in the form

required by the 12th section of the act of 1789, and was accompanied by a bond with sufficient bail, as required by that act.

The Circuit Court of Winnebago County refused to grant the prayer for removal, but proceeded to the trial of the cause. A verdict was rendered against the company, judgment entered thereon, and upon an appeal to the Supreme Court of Wisconsin, the same was affirmed. The insurance company now bring a writ of error to this court.

The case of the *Montello* was argued at the same time with the present; both cases, as it was understood, involving the question whether the Fox river was a navigable water of the United States. The decision of that question is not essential to the judgment to be rendered in the present case.

The refusal of the State Court of Wisconsin to allow the removal of the case into the United States Circuit Court of Wisconsin, and its justification under the agreement of the company and the statute of Wisconsin, form the subject of consideration in the present suit.

The statute of Wisconsin in question was

passed in the year 1870, and therein it is declared, that "It shall not be lawful for any fire insurance company, association, or partnership, incorporated by or organized under the laws of any other State of the United States, or of any foreign government, for any of the purposes specified in this act, directly or indirectly, to take risks or transact any business of insurance in this State, unless possessed of the amount of actual capital required of similar corporations formed under the provisions of this act; and any such company desiring to transact any such business as aforesaid by any agent or agents in this State, shall first appoint an attorney in this State on whom process of law can be served, containing *an agreement that such company will not remove the suit for trial into the United States Circuit Court or federal courts, and file in the office of the Secretary of State a written instrument, duly signed and sealed, certifying such appointment, which shall continue until another attorney be substituted.*" (Laws of 1870, chapter 56, section 22, page 87; or 1st Taylor's Statutes, page 958, section 22.)

Desiring to do business in the State of Wisconsin, and in compliance with the provisions of this statute, the Home Insurance Company of New York, on the first day of July, 1870, filed in the office of the Secretary of State of Wisconsin an appointment of Henry S. Durand as their agent in that State, on whom process might be served. The power of attorney thus filed contained this clause: "And said company agrees that suits commenced in the State Courts of Wisconsin shall not be removed by the acts of said company into the United States Circuit or Federal Courts."

The State Courts of Wisconsin held that this statute and the agreement under it justified a denial of the petition to remove the case into the United States Court. The insurance company deny this proposition, and this is the point presented for consideration.

Is the agreement thus made by the insurance company one that, without reference to the statute, would bind the party making it?

Should a citizen of the State of New

York enter into an agreement with the State of Wisconsin, that in no event would he resort to the courts of that State, or to the federal tribunals within it, to protect his rights of property, it could not be successfully contended that such an agreement would be valid.

Should a citizen of New York enter into an agreement with the State of Wisconsin, upon whatever consideration, that he would in no case, when called into the courts of that State, or the federal tribunals within it, demand a jury to determine any rights of property that might be called in question, but that such rights should in all such cases be submitted to arbitration or to the decision of a single judge, the authorities are clear that he would not thereby be debarred from resorting to the ordinary legal tribunals of the State. There is no sound principle upon which such agreements can be specifically enforced.

We see no difference in principle between the cases supposed and the case before us. Every citizen is entitled to resort to all the courts of the country, and to invoke the protection which all the laws or all those courts may afford him. A man may not barter away his life or his freedom, or his substantial rights. In a criminal case, he cannot, as was held in *Cancemi's case* (18 N. Y. R., 128), be tried in any other manner than by a jury of twelve men, although he consent in open court to be tried by a jury of eleven men. In a civil case he may submit his particular suit by his own consent to an arbitration, or to the decision of a single judge. So he may omit to exercise his right to remove his suit to a federal tribunal, as often as he thinks fit, in each recurring case. In these aspects any citizen may no doubt waive the rights to which he may be entitled. He cannot, however, bind himself in advance by an agreement, which may be specifically enforced, thus to forfeit his rights at all times and on all occasions, whenever the case may be presented.

That the agreement of the insurance company is invalid upon the principles mentioned, the following cases are cited: *Nutt vs. Ham. Ins. Co.*, 6 Gray, 174; *Cobb vs.*

New Eng. M. Ins. Co., 6 Gray, 192; Hobbs *vs.* Manhattan Ins. Co., 56 Maine, 421; Stephenson *vs.* P. F. & M. Ins. Co., 54 Maine, 70; Scott *vs.* Avery, 5 House Lords Cases, 811. They show that agreements in advance to oust the courts of the jurisdiction conferred by law are illegal and void.

In Scott *vs.* Avery (*sup.*) the Lord Chancellor says: "There is no doubt of the general principle that parties cannot by contract oust the ordinary courts of their jurisdiction. That has been decided in many cases. Perhaps the first case I need refer to was a case decided about a century ago. (Kill *vs.* Hollester, 1 Wils., 129.) That case was an action on a policy of insurance in which there was a clause that in case of any loss or dispute it should be referred to arbitration. It was decided there that an action would lie, although there had been no reference to arbitration. Then, after the lapse of half a century, occurred a case before Lord Kenyon, and from the language that fell from that learned judge, many other cases had probably been decided which are not reported. But in the time of Lord Kenyon occurred the case, which is considered the leading case on the subject, of Thompson *vs.* Charnock (8 T. R., 139). That was an action upon a charter-party, in which it was stipulated that if any difference should arise it should be referred to arbitration. That clause was pleaded in bar to the action brought upon breach of the contract, with an averment that the defendant was, and always had been, ready to refer the same to arbitration. This was held to be a bad plea, upon the ground that a right of action had accrued, and that the fact that the parties had agreed that the matter should be settled by arbitration did not oust the jurisdiction of the courts." Upon this doctrine all the judges who delivered opinions in the House of Lords were agreed.

And the principle Mr. Justice Story, in his Commentaries on Equity Jurisprudence (§ 670), says is applicable in courts of equity as well as in courts of law. "And where the stipulation, though not against the policy

of the law, yet is an effort to divest the ordinary jurisdiction of the common tribunals of justice, such as an agreement in case of dispute to refer the same to arbitration, a court of equity will not, any more than a court of law, interfere to enforce the agreement, but it will leave the parties to their own good pleasure in regard to such agreements. The regular administration of justice might be greatly impeded or interfered with by such stipulations if they were specifically enforced."

In Stevenson *vs.* P. F. & M. C. Ins. Co. (54 Maine, 70), the Court say: "While parties may impose as condition precedent to applications to the courts that they shall first have settled the amount to be recovered by an agreed mode, they cannot entirely close the access to the courts of law. The law and not the contract prescribes the remedy, and parties have no more right to enter into stipulations against a resort to the courts for their remedy in a given case than they have to provide a remedy prohibited by law; such stipulations are repugnant to the rest of the contract, and assume to divest the courts of their established jurisdictions; as conditions precedent to an appeal to the courts they are void." Many cases are cited in support of the rule thus laid down. Upon its own merits, this agreement cannot be sustained.

Does the agreement in question gain validity from the statute of Wisconsin, which has been quoted? Is the statute of the State of Wisconsin, which enacts that a corporation organized in another State shall not transact business within its limits unless it stipulates in advance that it will not remove into the federal courts any suit that may be commenced against it by a citizen of Wisconsin, a valid statute in respect to such requisition, under the Constitution of the United States?

The Constitution of the United States declares that the judicial power of the United States shall extend to all cases in law and equity arising under that Constitution, the laws of the United States, and to the treaties made, or which shall be made under their

authority, * * * to controversies between a State and citizens of another State and between citizens of different States. (Art. 3, § 2.)

The jurisdiction of the Federal Courts, under this clause of the Constitution, depends upon, and is regulated by, the laws of the United States. State legislation cannot confer jurisdiction upon the Federal Courts, nor can it limit or restrict the authority given by Congress in pursuance of the Constitution. This has been held many times. (*Whelter vs. Railway Co.*, 13 Wal., 286; *Payne vs. Cork*, 7 Wal., 437; *More vs. Taylor*, 4 Wal., 411, and cases cited.)

It has also been held many times that a corporation is a citizen of the State by which it is created, and in which its principal place of business is situated, so far as that it can sue and be sued in the Federal Courts. This Court has repeatedly held that a corporation was a citizen of the State creating it, within the clause of the Constitution extending the jurisdiction of the Federal Courts to citizens of different States. (*Express Co. vs. Kountze*, 8 Wall., 342; *Combes vs. Mercer Co.*, 7 Wal., 118; *Whelter vs. Railway*, 13 Wal., 275; *Wheeler vs. O. & M. R. Co.*, 1 Black, 286.)

The 12th. section of the judiciary act of 1789 provides that if a suit be commenced in any State court by a citizen of the State in which the suit is commenced against a citizen of another State, where the matter in dispute exceeds \$500, and the defendant at the time of entering his appearance shall file a petition for the removal of the cause for trial into the next Circuit Court of the United States, and shall offer good bail for his proceedings therein, "it shall be the duty of the State Court to accept such security and proceed no farther in the cause."

This applies to all the citizens of another State, whether corporations, partnerships, or individuals. It confers an unqualified and unrestrained right to have the case transferred to the federal courts upon giving the security required. In the case recently decided in this court, of *The Home Life Insurance Company vs. Dunn*, it was held that no power of action thereafter remained to

the State court, and that every question, necessarily including that of its own jurisdiction, must be decided in the federal court.

The statute of Wisconsin, however, provides as to a certain class of citizens of other States, to wit: foreign corporations, that they shall not exercise that right, and prohibits them from transacting their business within that State, unless they first enter into an agreement in writing that they will not claim or exercise that right.

The Home Insurance Company is a citizen of New York, within this provision of the Constitution. As such citizen of another State, it sought to exercise this right to remove to a federal tribunal a suit commenced against itself in the State court of Wisconsin, where the amount involved exceeded the sum of \$500. This right was denied to it by the State court on the ground that it had made the agreement referred to, and that the statute of the State authorized and required the making of the agreement.

We are not able to distinguish this agreement and this requisition, in principle, from a similar one made in the case of an individual citizen of New York. A corporation has the same right to the protection of the laws, as a natural citizen, and the same right to appeal to all the courts of the country. The rights of an individual are not superior in this respect to that of a corporation.

The State of Wisconsin can regulate its own corporations and the affairs of its own citizens, in subordination, however, to the Constitution of the United States. The requirement of an agreement like this from their own corporations would be *brutum fulmen*, because they possess no such right under the Constitution of the United States. A foreign citizen, whether natural or corporate, in this respect possesses a right not pertaining to one of her own citizens. There must necessarily be a difference between the status of the two in this respect.

We do not consider the question whether the State of Wisconsin can entirely exclude such corporations from its limits, nor what reasonable terms they may impose as a con-

dition of their transacting business within the State. These questions have been before the Court in other cases, but they do not arise here. In *Paul vs. Virginia* (8 Wall., 168) Mr. Justice Field used language, in speaking of corporations, which has been supposed to sustain the statute in question. "Having (he says) no absolute right of recognition in other States, but depending for such recognition and the enforcement of its contracts upon their assent, it follows, as a matter of course, that such assent may be granted upon such terms and conditions as those States may think proper to impose. They may exclude the foreign corporation entirely, they may restrict its business to particular localities, or they may exact such security for the performance of its contracts with their citizens as in their judgment will best promote the public interest."

So in the *Bank of Augusta vs. Earle* (13 Peters, 519), the language of Chief Justice Taney has been invoked for the same purpose.

In each of these cases the general language of the learned justice is to be expounded with reference to the subject before him. They lay down principles in general terms which are to be understood only with reference to the facts in hand. Thus, the case in which the opinion was delivered by Mr. Justice Field was one involving the construction of that clause of the United States' Constitution which declares that "the citizens of each State shall be entitled to all the privileges and immunities of citizens in the several States," and of that clause regulating commerce among the States, not of the one now before us. It involved the question whether the State might require a foreign insurance company to take a license for the transaction of its business, giving security for the payment of its debts, and decided that taking insurance risks was not a transaction of commerce within the meaning of the two clauses of the Constitution cited. It had no reference to the clause giving to citizens of other States the right of litigation in the United States courts, and certainly had no bearing upon the right of corpora-

tions to resort to those courts, or the power of the State to limit and restrict such resort.

It was not intended to impair the force of the language used by Mr. Justice Curtis in the *La Fayette Insurance Company vs. French* (18 How., 407) where he says: "A corporation created by Indiana can transact business in Ohio only with the consent, express or implied, of the latter State. (13 Pet., 519.) This consent may be accompanied by such conditions as Ohio may think fit to impose, and these conditions must be deemed valid and effectual by other States, and by this court; *Provided*, they are not repugnant to the Constitution and laws of the United States, or inconsistent with those rules of public law which secure the jurisdiction and authority of each State from encroachment by all others, or that principle of natural justice which forbids condemnation without opportunity for defense." Nearly the same language is used by Mr. Justice Nelson in *Ducat vs. The City of Chicago* (10 Wall., 400).

None of the cases so much as intimate that conditions may be imposed which are repugnant to the Constitution and laws of the United States, or inconsistent with those rules of public law which secure the jurisdiction and authority of each State from encroachment by others.

The case of the *Bank of Columbia vs. Okely* (4 Wheat. R., 235) is relied upon by the Court below to sustain the statute and the agreement in question. In that case it was provided in the 14th section of the charter of the bank, that whenever a borrower of the bank should make his note by an agreement in writing negotiable at the bank and neglected its payment when due, the president of the bank should cause a demand in writing to be served upon the delinquent, and if the money was not paid within ten days after such demand, it was made lawful for the bank to present to the county clerk the note so unpaid, with proof of the demand, and to require him to issue an execution or attachment against the debtor. Before such execution could issue, the bank was required to file an affidavit of the amount due on the note. "If the defendant shall dispute the

whole or any part of the debt [the statute adds] on the return of the execution, the court shall order an issue to be joined and a trial to be had, and shall make such other proceedings that justice may be done in the speediest manner." This statute was sustained in the case cited. Mr. Key, for the plaintiff, argued in its support on the theory that the whole effect of the provision was to authorize the commencement of a suit by attachment, instead of the usual common-law process. Mr. Jones, *contra*, contended, that it was in violation of the provision of the Constitution of Maryland and of the United States, securing to parties the right of trial by jury when the value in controversy exceeded twenty dollars. In rendering the decision the Court say:

"This Court would ponder long before it would sustain this action if we could be persuaded that the action in question produced a total prostration of the trial by jury, or even involved the defendant in circumstances which rendered that right unavailing for his protection. * * * If the defendant does not avail himself of the right given to him of having an issue made up and the trial by jury, which is tendered to him by the act, it is presumable that he cannot dispute the justice of the claim."

We are not able to discover in this case any countenance for the statute of Wisconsin, which we are considering.

On this branch of the case the conclusion is this:

1st. The Constitution of the United States secures to citizens of another State than that in which suit is brought an absolute right to remove their cases into the federal court, upon compliance with the terms of the act of 1789.

2d. The statute of Wisconsin is an obstruction to this right, is repugnant to the Constitution of the United States and the laws in pursuance thereof, and is illegal and void.

3d. The agreement of the insurance company derives no support from an unconstitutional statute, and is void, as it would be had no such statute been passed.

We are of opinion, for the reasons given, that the Winnebago County Court erred in proceeding in the case after the filing the petition and the giving the security required by the act of 1789, and that all subsequent proceedings in the State Court are illegal and should be vacated.

The judgment in that court, and the judgment in the Supreme Court of Wisconsin, should be reversed and the prayer of the petition for removal should be granted, and it is ordered accordingly.

MR. CHIEF JUSTICE WAITE DISSENTING.

I cannot concur in the judgment which has just been announced. A State has the right to exclude foreign insurance companies from the transaction of business within its jurisdiction. Such is the settled law in this Court. (*Paul vs. Virginia*, 8 Wall., 181; *Ducat vs. Chicago*, 10 Wall., 410, *Bank of Augusta vs. Earle*, 13 Peters, 586.) The right to impose conditions upon admission follows as necessary consequence, from the right to exclude altogether. The State of Wisconsin has made it a condition of admission that the company shall submit to be sued in the courts she has provided for the settlement of the rights of her own citizens. That is no more than saying that the foreign company must, for the purposes of all litigation growing out of the business transacted there, renounce its foreign citizenship and become *pro tanto* a citizen of that State. There is no hardship in this, for it imposes no greater burden than rests upon home companies and home insurers.

This insurance company accepted this condition and was thus enabled to make the contract sued upon. Having received the benefits of its renunciation the revocation comes too late.

The State Court had jurisdiction to try the question of citizenship upon the petition to transfer. Upon the facts I think it was authorized to find that the company was, for all the purposes of that action, a citizen of Wisconsin, and refuse the order of removal.

I concur in this dissent.

D. DAVIS, Justice.

Foolish Legislation.

The public mind, at home and abroad, has been much excited by the unwise course of the last California Legislature. In three conspicuous instances, flagrant unconstitutionality has been detected in its acts. We refer to the Local Option law, which has been set aside by the Supreme Court of the State; to the Passenger Act, one of whose leading provisions has been declared void by Mr. Justice Field, of the United States Supreme Court, and to that part of the recent insurance legislation which was designed to oust the jurisdiction of the Federal Courts in suits against foreign insurance companies. The last-named attack upon the supremacy of the Federal Government was not a pure California invention. It is believed to have originated in Wisconsin, a State which does not enjoy an enviable reputation for calm and dignified legislation, and it was copied into the statute books of Ohio and Michigan before it arrested the attention of the California Solons. Be that as it may, it was reproduced here last Winter in all its original enormity, augmented by some hideous surroundings of purely Californian origin.

The Supreme Court of the United States have passed upon the Wisconsin act, and by condemning its principle, have undermined the foundations of the most imposing part of the California fabric. It is fit to notice what that august tribunal have decided; and, in doing so, to inquire how much of the recent Insurance legislation can be sustained upon any sound principles of Constitutional law. The Wisconsin statute was intended to deprive foreign corporations of the privilege conferred by the Federal Constitution of removing all actions commenced against them in other States to the Federal Courts. This was sought to be accomplished by extending the principle of *Paul vs. Virginia*, 8 Wallace, S. C. R. 181, where it was held that corporations created by the laws of one State, could not transact business in another, without consent of the latter, and that such consent could rightly be withheld, in whole or in part, or granted upon conditions which might seem wise.

Accordingly the legislatures of the four States of Wisconsin, Ohio, Michigan, and California, enacted that no foreign insurance company should transact business within their jurisdiction unless they agreed to waive all right to resort to the Federal tribunals. The bad taste of such churlish legislation arrests attention in these days when it is so fashionable to boast of loyalty to the Union, and in California it is mortifying to be reminded that the two federal judges of the highest rank, who are authorized to hold courts within its limits, were both taken from the highest court of the State, to which they had been elected by a general vote. It is needless to add that they have uninterruptedly enjoyed the full confidence of the profession and the community. However, on some subjects legislators lose their balance, and these foolish laws have been passed in four great states, although they certainly smack strongly of nullification.

It was determined by the insurance interest, that this important question should be tested in the Court of last resort. The Home Fire Insurance Co. of New York, complied with the Wisconsin law, and filed the agreement unconstitutionally exacted by the law in question. In spite of its enforced agreement, it claimed the right to remove an action against it into the United States Courts—a right which has just been upheld by a solemn decision of the Supreme Court. It has been determined that this sacred right is conferred by the Constitution and laws of the United States, and that it cannot be amended or abridged by any State legislation or agreement of parties. The federal system recognizes this right, and its judges will scout every attempt to abridge it, especially by artifice. It may be added, as a newspaper rumor, not yet confirmed by any publication of the opinion of the Court, that the doctrine of the case of *Paul vs. Virginia* is understood to have been limited in its general application.

This empirical legislation has therefore received a fatal blow, and it is gratifying that the judiciary has proved so reliable at such a crisis. At the same time it is unfortu-

nate that recourse must so often be had to that department of the government. A neglect or violation of duty by one co-ordinate branch always increases the strain upon each of the others.

We wish we could feel that nothing more remained for the judiciary in this connection. The recent obnoxious legislation of this State, besides much that was simply vexatious, contained three rules, either of which would justify all foreign companies in leaving the State if they could be enforced. They may be summarily stated thus:

1. The ouster of federal jurisdiction.
2. The surrender value clauses.
3. The Universal Agency clauses.

The first of these is happily out of the way by force of the recent decision.

The second calls for a little explanation. It is merely a requirement that all insurance companies, although their contract may, by its terms, extend through the life of the insured, should be required to pay at, any time, the larger portion of all that has been paid in,—a provision which would certainly be availed of in every panic. Had such a rule of law existed during the great panic of 1873, no company could have met the run without a terrible sacrifice of its assets. Under its operation, life insurance companies would endanger all financial schemes, and at a time when they, of all corporations, ought to feel secure, would be most in need of help. Fortunately, this provision of law can be easily evaded, by a waiver of the right in all future policies; and, by the settled law of California, such waivers will be upheld in the face of any statute.

Nothing remains, then, but the Universal Agency clauses, which provide that agents of foreign insurance companies shall exercise all the powers of their companies—powers which their companies could not give if they would, and should not if they could. At a future time, we hope to demonstrate that this clause is quite as vulnerable as that which has been so authoritatively condemned and that, if necessary, the judicial power of the State and Nation may be invoked for its annihilation.

We hope that a way may be found for

the speedy return of the foreign companies to this Coast. The dictates of interest and duty will require them promptly to take advantage of it. It cannot be denied, however, that much legislation of the last session reflected little credit upon this State. The position of California is peculiar, and the influence of her metropolis ought to be very great. Whatever may be the policy of the rural districts, the great commercial city of the Pacific should be controlled by cosmopolitan influences, and everything should be done to attract to its mart the capital and intelligence of the rest of the world, and to promote the most intimate relations of business with every portion of the globe. The future of San Francisco is undoubtedly assured, but its credit abroad has not been promoted by the insurance legislation of last Winter.

Then being so capital. The Notorious Hannah Lee Case.

The case of Hannah Lee *vs.* the Guardian Mutual Life Insurance Company, has about as much notoriety as the Underzook-Goss case. The fifth trial of this cause was terminated in the U. S. District Court in this city, November 19th, 1874, by a disagreement of the Jury. The first trial was nonsuited by defendant; the second and third were disagreement of the Jury; the fourth, judgment for plaintiff, but a new trial was granted the defendant on the ground of newly discovered testimony, which terminated as above stated. In the last trial one of the Jurors was discharged on account of sickness, which left eleven to try the case, ten of whom are ready to return a verdict for defendant on first ballot, but the eleventh man took his blankets to the Jury room, and retired from the Court room determined to fight it out on that line, if it took him all winter. The Jury remained out from 3 o'clock P. M. on the 18th, until 10 A. M. of the 19th, when they informed the Judge that it was impossible for them to agree, as ten of them were too contrary to give this Hannah the small sum of \$5,000, with interest from May, 1870.

The following facts may be of some interest to our readers :

In January, 1870, Andrew Lee, the husband of Hannah, by a series of misstatements in application and a fraudulent medical certificate, procured a policy for \$5,000 in the Guardian Mutual Life. In May of the same year Mr. Lee died. The application for this insurance was made out by a Mr. Wright, agent of the company, who wrote out the answers to the questions as were given by Mr. Lee ; the plaintiff, however endeavored to show that Mr. Wright had fixed up the answers to suit himself, without the knowledge or consent of Lee ; but when we couple other facts together, we find that the answering questions fraudulently was an insignificant part of the whole job.

The agent asked Lee to go with him to the examiner of the company in this city, and finish the application at once, but no, Lee had not the time then, but stated that he was going to Vallejo that day and would take the application with him and be examined by the leading physician of Vallejo.

In a day or two the application was returned to the office of the General Agent, with the name of Dr. D. McLane McPhee as examiner.

The examination being satisfactory, Mr. Garness, the General Agent, sent it to the home office, on which a policy was issued.

On the trials of this case the company proved that Lee had been a sufferer from heart disease, consumption, etc., for the past six years, several physicians stating that it was a mystery to them that he lived as long as he did.

Dr. McPhee having left Vallejo, and the defendant not being able to learn of his whereabouts, the first four trials were had without his testimony, but the finding of this man was the newly discovered evidence on which the fifth trial was granted. Dr. McPhee stated under oath that he never examined this Mr. Lee, and positively denied, and proved beyond doubt by other medical certificates, that the whole thing was a spurious certificate, nothing like his writing, and

also proved that he was not in Vallejo the day stated in certificate. There was one thing genuine in this certificate, and that was Mr. Lee's signature ; he had " approved " this examination by signing the application under medical certificate where it reads " I have given true answers to all questions asked me by the physician," or something to that effect.

It was also proven that the wife Hannah had exercised herself considerably in trying to get the husband insured, and had mentioned the fact to several physicians, who told her that it would be impossible for him to pass examination ; but with an energy and cunning that characterizes such cases, she did not remain idle until she, with her husband and other accomplices, succeeded in procuring the policy above named.

The company has already paid about the amount of the policy for attorney fees and other costs, and we have no doubt that many will say it would have been better for the company, and the insurance business generally, for them to have paid the claim without litigation. But we admire the action of the company and the General Agent, Mr. Garness, for their persistency in bringing to light such stupendous frauds as this has proven to be, even if it cost twice the amount of the policy. The payment of such claims would in time prove ruinous to any company, and we hope that the defense will continue in their efforts to bring to light *all* the dark transactions in this case, and if possible succeed in showing who the conspirators are, that they may be dealt with according to law. It would be worth considerable to know who filled the medical blank on this application.

—The *Northwestern Review*, of Chicago, is ventilating (or thinks it is) the Protection Life of Chicago. The *Review* says it is one of the most dangerous specimens of the feline species which has ever run rampant through the land to prey upon unsuspecting victims, and calls them other hard names, the contrary of which we are not able to show at this writing.

Six Years History.

The records of the office of the Insurance Commissioner of this State present some interesting facts in the history of fire underwriting on this Coast, a review of which we believe will not be without its lesson as a striking commentary on the vicissitudes of the business. We are indebted to the Hon. Commissioner, and his efficient deputy, for the data from which we compile the following:

The office of Insurance Commissioner was created by Act of the Legislature, March, 1868; at the time of the installation in office of the first appointee, Hon. G. W. Mowe, there were transacting the business of Fire or Fire and Marine Ins: 10 Local companies and 10 Eastern and Foreign companies; there have been 4 new local institutions organized and 58 Eastern and Foreign admitted. Of the 11 Local companies in existence when the Commissioner assumed the duties of his office, 4 remain, to wit:

California Insurance Company, Fireman's Fund Insurance Company, Home Mutual Insurance Company and Union Insurance Company. Of these the Home Mutual suspended business in May, 1870, but in November of same year reorganized and resumed operations.

Of the 4 which were subsequently organized, the Commercial and State Investment remain; the others have succumbed to the elements, the vicissitudes of business, or bad management.

A brief history of those which "retired" may not be uninteresting, and will at least serve to remind our readers, among the professionals, of those who "have gone before."

The Builders was the first to fall a victim to the probing of the Commissioner. The Company had done a large business, upon the popular cry of opposition to combinations and irrespective of rates, the Commissioners' examination showing it to have written \$8,642,331.50, during the year ending May 31, 1868; the same examination

showed that by reason of losses and expenses its assets had been reduced to \$91,084.27, while its liabilities were, \$136,681.65. After proper and legal notification, the Attorney General instituted proceedings to declare the company bankrupt and close its business, which was done, amid the protestations of President Mooney and his admirers, that he and his company were the victims of a conspiracy on the part of the other companies.

An effort was made to create the Mechanics' Insurance Company on the ruins of the Builders', but though its certificate was filed with the Commissioner, the evidences of its fraudulent nature were too apparent, and it never organized for business.

The San Francisco Insurance Company, one of the oldest organized, and which had been successful in its operations, ceased issuing policies on the 8th June, 1868, and retired from business.

The National voted to retire June 13, 1868, for reasons embraced in the following resolutions:

"It is the sense of the stockholders here assembled that the capital at present employed in the business of insurance on the Pacific Coast is largely in excess of the business requirements; that in addition to the ordinary hazards of the business, the rates of insurance now in vogue yield inadequate returns for the risks incurred; that the recent repeal of the deposit laws forbid all hope of an early resumption of a healthful system of rates, while the "individual liability" imposed upon stockholders by our State Constitution, endangers our private means in case of extensive conflagration, to which this locality is especially liable."

The Oriental filed its certificate of incorporation June, 1869; in May, 1870, the company being found insolvent under the law, its certificate was revoked; the Directors deeming it inexpedient to repair its capital, on the 17th of June elected a Receiver to wind up its affairs.

The Home Mutual discontinued the issuance of policies on the 19th of May, 1870,

and reinsured all its outstanding risks. Subsequently a reorganization took place, and on the 9th of November of the same year, a certificate was issued authorizing it to resume business.

The Pacific, Occidental and People's Insurance Companies were made bankrupt by the Chicago fire in October, 1871; in each case assessments were levied to repair capital, but failing to collect, the outstanding risks were reinsured, and the business of the companies wound up.

The Chicago losses of these companies, according to the Commissioner's report for 1871, were settled as follows:

Occidental, on the basis of twenty cents; Pacific, fifty cents, and the People's twenty cents on the dollar.

The same disaster impaired the capitals of the Union and Fireman's Fund Insurance Companies. The former levied and collected an assessment of \$337,500, or 45 per cent., and the Fireman's Fund \$250,000, or 50 per cent., and paid their losses in full; the close of the year, however, left the Companies impaired:

Fireman's Fund,.....	\$83,098.30
Union,.....	60,169.84

The fire in Boston in the subsequent November (1872), by which the Fireman's Fund Insurance Company was a heavy loser, so far impaired the capital of that Company that a reduction from \$500,000 to \$300,000, was made necessary, and effected in January, 1873.

These companies have rapidly recuperated, each showing handsome surpluses, and paying regular dividends to stockholders.

The Alameda County Insurance Company, organized in Oakland in ——— last, and commenced the issuance of policies; its career was a brief one, and its property and business has been recently amalgamated with the Home Mutual.

We present in tabular form, the history of the several Companies, with their assets as reported on the 31st day of December 1867, and on the 31st day of December, 1873, a period of 6 years:

Local Companies.	Cash Assets, Dec. 31, 1873.	Cash Assets, Dec. 31, 1873.	
Bullfinch'	\$91,084.27	.....
California	300,293.55	491,657.68	
Fireman's Fund.....	678,030.18	578,238.91	
Home Mutual.....	1121,023.70	1317,181.78	
Occidental.....	356,993.18	.....	Reorganized 1870.
Pacific.....	1,529,740.18	.....	Destroyed in Chicago, 1871.
People's.....	161,024.83	.....	do. do.
Union	972,469.19	970,238.97	do. do.
San Francisco.....	.....	.....	Closed business, 1868.
National .....	.....	.....	do. do.
Oriental.....	Organized 1869.	.....	Declared insolvent by Commissioner, 1870.
Commercial	do. 1872.	311,491.20	
State Investment.....	do. 1872.	322,966.64	
Alameda County Fire.	do. 1874.	.....	Amalgamated with Home Mutual, 1874.

* On May 31, 1878,
† \$27,1880, Stock Notes not included.
‡ \$600,000 do. do. do.

Of the sixty-eight Eastern and Foreign Companies which have passed the ordeal of the Commissioners, the following have ceased business:

Admitted.

- 1868. North American, N. Y.; failed in Chicago Fire, 1871.
- 1869. Market, New York; failed in Chicago Fire, 1871.
- 1870. Cleveland, Ohio; failed in Chicago Fire, 1871.
- 1872. Andes, of Cincinnati; failed and wound up, 1873.
- North Missouri, Macon, Mo.; failed and wound up, 1873.
- Triumph, of Cincinnati; retired from business, 1873.
- Atlantic & Pacific, Chicago; failed in 1874.

German, of Erie.

Republic, of New York; retired from the State, 1873.

1873. New Orleans Mutual, New Orleans.

1874. Franklin, of West Virginia; certificate suspended.

The following Companies made application for admission, and were rejected by the Commissioner; it is a proper endorsement of the care of that official, to say that none of these companies are now doing business in the places of their organization :

People's Insurance Company, Philadelphia.

National Insurance Company, Philadelphia.

Franklin Insurance Company, New Orleans.

Atlas Insurance Company, New Orleans.

Germania Insurance Company, New Orleans; two applications.

Workmen's National, New Orleans; two applications.

A Life Ins. Co. in Sonoma County.

In the production of grapes, apples, peaches, pears, and in fact all kinds of fruits, vines, wheat, vegetables, etc., Sonoma County is equal to any in the State, unless it is, perhaps, San Joaquin, in the item of wheat. Sonoma has her banks, schools, colleges, churches, lawyers, doctors, and editors. She has her railroads, a good climate, and in fact every thing that ordinary mortals could desire here below. Sonoma even has two Co-duperative Mutual Relief Associations, but not content with all this she wants a *genuine Life Insurance Company*. Hear what the Sonoma *Democrat* says about getting one:

"There is a movement on foot to organize a Life Insurance Company in Sonoma County. Few persons have an idea of the immense drain of money from this coast by Eastern Life Companies. Those who have given the matter attention admit, after careful examination, that not less than \$3,800,000 goes out of this State to swell the available capital of Eastern cities, aggregating principally in New York, Hartford, Connecticut and Boston, where it is loaned at low rates of interest, stimulating all commercial and manufacturing pursuits greatly to the advantage of those sections where the principal place of business is located. Of the enormous sum named going out of the

State, but one dollar in five returns. The quota of Sonoma County to this fund is \$125,000 per annum. These figures are not guess work, but are predicted on the reports of the local agents, of the policies in force in the county. This would make the sum of \$25 per annum for every voter in the county.

A company organized in Sonoma, with a board of directors known throughout the State, would take all the new business, and save the county this great and increasing drain. It would do more; the money now shipped to the east would accumulate at home, and would aid in the establishment of the much needed local manufactories, and in the development of our natural resources, now unproductive for the want of available capital. Many of the eastern companies have withdrawn their agencies, and the field is open for local companies. Under the laws of this State, all policies are non-forfeitable. Policy-holders would be safer than under the management of directors in the Eastern States, about whom they know nothing. For these reasons we hope the effort now being made to organize a local company in this county will succeed."

Does the *Democrat* mean to say that there is a movement on foot to organize a Life Insurance Company in that county with \$200,000 cash capital, as the law requires? or does it mean that they are going to organize a co-duperative? If the latter, why not use the two that is dragging out a miserable existence at Petaluma?

Personally, we have no objection to the organization of half a dozen Life Insurance Companies on the coast, but we do object to filling the columns of the *REVIEW* with so many obituary notices of this class of institutions. For a new company with the necessary capital to succeed on this coast would be next to impossible, and the *Democrat* will not hold that there is a demand for more co-operatives.

Who are the projectors of this proposed Life Insurance Company? It cannot be that Fitzgerald has formed a copartnership with Commissioner Foard and selected Sonomaits for their victims? But we will await further developments.

Obituary.

Died, at No. 969, Broadway, Oakland, on the 14th day of November, A. D. 1874, the Alameda County Insurance Company, age four months and seven days. This was an adopted child of L. M. Kennedy, Esq., but not at all healthy, showing signs of general debility from its birth. Soon after Mr. Kennedy assumed charge of the infant, he deemed it best to call a physician, and immediately dispatched for Dr. J. W. Foard, of San Francisco, who responded with his usual promptness, and made a careful examination, and informed Mr. Kennedy that the child was not robust, yet proper care by skillful nurse would bring the chap all right.

At the age of two months Mr. Kennedy became alarmed, and felt that he could not entertain the thought of having the little one pass away, under his care and guardianship, and immediately resigned his position as guardian, asking that Mr. C. H. Twombly succeed him. The last-named gentleman took charge and administered as best he could. Soon after Mr. T. assumed the care and responsibility, it became known that the chap was fast failing, and Mr. T. not having the confidence in Dr. J. W. Foard as a physician, determined to change, and accordingly called Drs. R. H. Magill and H. H. Bigelow, who, after a careful examination, pronounced the disease fatal, and informed the guardian that he must make up his mind to the worst, as the worst must come. They told this sorrow-stricken guardian how they had witnessed the workings of similar cases, how they had watched the same disease with its destroying hand take from our midst the beloved Builders, Pacific, Peoples, Oriental and Occidental, all of much stronger constitutions.

A post mortem examination showed that the deceased died from fear of cremation.

The friends and relatives were notified and assembled at 969, Broadway, on the 15th of November, and accompanied the remains to 406 California street, San Francisco, where the body was interred in the bosom of the Home Mutual.

And thus ended the career of what might have been a useful and shining star in the insurance firmament.

Report of the Committee Appointed by the Executive Committee of National Board as Delegates to the Convention of the National Association of Chiefs of Fire Departments of the United States.

NEW YORK, October 20th, 1874.

To the Executive Committee of the

National Board of Fire Underwriters :

The undersigned, appointed delegates to the Second Annual Convention of the National Association of Chiefs of Fire Departments of the United States, held at St. Louis on the 5th, 6th, 7th and 8th of October, instant, report, that they attended said convention and were accorded all the privileges necessary for a proper discharge of the purposes of their appointment. They found themselves welcomed by a body of intelligent, thoughtful and practical men, who evidently had for their object the consideration of the best means of preventing the destruction of property by fire. In this city they are in full sympathy with the National Board of Underwriters. Besides the important subjects of discussion at the preceding session, which were briefly reviewed, the following new ones were introduced and ably reported upon, and such action was had as must commend itself to the best judgment of all who are qualified properly to estimate them :

I. Does the existence of any direct acting service system justify the reliance on that system alone for the extinguishment of fires without the aid of auxiliary movable fire engines?

II. How far are paid fire departments applicable to small towns and villages? The committee on this topic to report at the next meeting.

III. Fire parapet walls in the mercantile sections of cities, and the safest roofs for said buildings.

IV. Importance of Chiefs of Fire De-

partments having exclusive and supreme control of all men employed therein, and of all property pertaining thereto; the necessity of strict discipline in all fire departments, the discouragement of such gatherings, and the exclusion of all political considerations which tend to destroy it.

V. What is the proper relative proportion of trucks to fire engines in a well organized fire department?

VI. The necessity of large mains, and more abundant supply of water for the use of fire engines; and, in laying said mains, the necessity of providing for the wants of the city at least ten years in advance of the time said mains are laid.

VII. The advantages of stand-pipes, hose elevators and stationary ladders.

VIII. The duty of city authorities to prevent the erection of buildings over a certain height which are not constructed entirely of fire-proof material.

IX. The proper arrangement of iron shutters.

X. The necessity of relief engines, and the necessity of keeping them in good condition, and in charge of competent men.

XI. The importance of the position of Engineer and Assistant Engineer of fire engines, and of said offices being filled by practical machinists.

An interesting and important discussion was had upon the first topic before it was sent to the Committee appointed to consider it, and the tenor of the discussion fully justified the report of the Committee, which was, in effect, that while the direct acting service system had often performed excellent work, it had also frequently failed, and that it was injudicious and unsafe to rely upon any such system, however complete, to the exclusion of auxiliary movable fire engines, and that such auxiliary engines should always be kept in perfect order, and in condition to be manned and operated at the shortest notice.

The importance of this discussion and conclusion, at a time like this, when some towns have such a direct acting service and *nothing more*, and when other places, having introduced such a system, are selling their

auxiliary fire engines at nominal prices, in a blind reliance upon that system alone, cannot be over-estimated.

The Committee was continued, and ordered to report more fully upon the general subject of water supply at the next meeting of the Association.

The third topic produced a very general discussion, and resulted in the adoption of *five feet* as the standard height of Fire Parapet Walls in mercantile districts; such walls to be pierced at suitable intervals for the use of hose pipes for the purpose of putting water on the fire, while the firemen are so well protected as to enable them to fight the flames at close quarters.

The sixth topic resulted in the conclusion, very generally concurred in, that the mains, laid for supply to the engines, should not be below *twelve inches* in diameter.

The injudicious and hasty payments of loss claims by insurance companies was commented upon freely, and heartily condemned as tending to increase the labors of the firemen and the destruction of property.

Your Committee do not propose to report in full the action of the Association, but would state, in brief, that its meetings were well attended, its discussions ably conducted, its conclusions wisely reached, and its manifest purpose was to learn how best to secure the object for which fire departments are established. The prompt and business-like mode of conducting its discussions, and of reaching its conclusions, might properly serve as an example to more pretentious bodies.

Your Committee are of the opinion that great good must result from the meetings already held, and they look with much interest to those of succeeding years. They assured the assembled chiefs of the full sympathy and accord of the underwriters with their purposes, and in the name of the National Board and of all its constituents, they invited the Association to hold their next meeting in the city of New York. They are assured by the President of the New York City Board of Fire Department Commissioners, and by the Chief of the Department, that they will co-operate to make

the gathering both useful and gratifying to the members of the Association.

Before closing, the Committee call your attention to the importance of requesting the various Local Boards of Underwriters to co-operate heartily with their respective chief engineers, and to invite their attendance at their regular meetings. The Committee are confident that the underwriters will find these gentlemen to be able to give them much valuable information on important subjects.

Your Committee think that these Local Boards should be advised to use prompt measures to ascertain what defects exist in the fire departments and water supply of their several locations, and give active aid to the heads of the departments in all efforts to remedy such deficiencies. It would be well if the Local Boards reported to the office of the National Board all defects that may come to their knowledge.

The Committee also suggest to the Executive Committee the propriety of establishing a bureau to obtain information respecting the fire departments of all the towns and cities, and to convey to the several insurance companies, members of the National Board, all information of interest respecting these departments, to the end that they may be governed thereby in their business, and their aid be secured in obtaining necessary reforms.

Respectfully submitted,
GEO. T. HOPE,
JAMES M. RANKIN,
HENRY H. HALL.

Washington Life and Foard.

We give below the correspondence between Commissioner Ford and the Secretary of the Washington Life Insurance Company of New York, in reference to our California laws.

In this letter, Ford's ignorance of Insurance matters crops out even more perceptible than in his preface to the Insurance reports.

We give first the circular of the Washington Life to their policy-holders, which reads as follows:

OFFICE OF THE WASHINGTON LIFE INSURANCE CO. }
No. 155 BROADWAY, NEW YORK, AUG. 1ST, 1874. }

To our Policy-Holders in the State of Cal:

Owing to the unfriendly action of your last Legislature, this Company, in connection with many others, has been compelled, as you are doubtless aware, to withdraw its Agency from your State. This is a serious injury to us and to you, but there seems to be no present relief; and the only course to pursue is for each to make the discomfort as little burdensome as possible.

Notices of premiums will be sent in due season by mail, as an act of courtesy, but the Company is not responsible for their miscarriage.

You may remit for your Premium by Post Office Money Orders, direct to us.—When the amount is more than is sold by the department to one party in one day, several purchases on succeeding days will accomplish the desired object; the expense of such Orders you may deduct from your Premiums. If you prefer to remit by draft on New York bank or banking house, you may deduct exchange not exceeding one-half of one per cent. Where the Premium is payable in gold coin, add to the amount the premium on gold in this city, and remit for the total in the same manner. It is our hope that at the next session your Legislature will see the unwisdom of interfering in any business engagements, and promptly repeal the Acts, which are productive only of serious annoyance and inconvenience to you, and positive loss to us.

Please address all correspondence to The Washington Life Insurance Co., P. O. Box 774, New York.

Yours respectfully,

W. HAXTON, *Secretary*.

OFFICE OF INSURANCE COMMISSIONER, }
SAN FRANCISCO, Sept. 5th, 1874. }

W. HAXTON, Esq., Sec'y Wash. Life Ins.
Co., 155 Broadway, N. Y.

SIR:—I have your printed circular of Aug. 1st ult., addressed to the policy-holders in your Company; and in view of the provisions of Sec. 596 of the Political Code of this State, as amended at the last session of our Legislature, authorizing the

appointment of an Agent, as per enclosed form for the collection of "renewal premiums" and for no other purpose, the action of your Company in the premises is, to say the least, rather cool.

The Company came into this State of its own volition, seeking its own interests, and, under the requirements of our laws, appointed an Agent to solicit and procure business among our people, said Agent being authorized to collect *all dues in this State*, thus imposing upon the policy-holders no unnecessary inconvenience in making payments.

And now, having policies outstanding among our people, upon which you have received your full share of the millions paid for Life Insurance in the past few years—nearly \$4,000,000 in the year 1873—you coolly say to them, "You must in the future remit renewal premiums, etc., directly to the home office in New York," well knowing, if not desiring, that such course must involve the discontinuance of a large portion of your insurance in this State—the Agent of one of the largest New York companies says 20 per cent. in the first year—thus practically confiscating to the use of the Company a large amount of reserves to which it has no shadow of claim, except as trustees of the policy-holders.

You then say to our people, "We are compelled to this course by your prejudicial legislation last winter." As if *they* could not see to whom profit is to inure in the premises.

Your Company has a right to decline new business in this State, even without adducing a reason for it. It is bad faith to its policy-holders, however, to refuse to have an Agent here to receive moneys due it, and that must be paid if the policies are to be kept alive. And you may as well disabuse your minds at once of the idea that you deceive any one in the matter.

The people of this State, if not of the whole country, have pretty nearly arrived at the conclusion that, looking to the quality of it, Life Insurance is costing a good deal more than it is worth.

Yours Truly,

J. W. FOARD, Ins. Commissioner.

September 17th, 1874.

To J. W. FOARD, Esq., Ins. Commissioner of the State of California, San Francisco, Cal.

DEAR SIR: I acknowledge the receipt of your letter of the 5th inst. The present serious condition of Insurance interests in the State of California forbids any facetious expression in regard to a letter written at this time by the head Insurance Officer of California, in the interests of holders of Life Insurance policies.

The same considerations might also well deter me from characterizing the phraseology of your letter, instead of availing of the opportunity afforded by it of writing to you upon a subject more important to us than your opinion of Life Insurance and Life Insurance Companies, and what would be proper conduct from the latter to their policy-holders.

So long as we remained under the jurisdiction of the State of California we had necessarily to recognize the force of your opinions; but, when your opinion becomes extra-jurisdictional and voluntary it naturally carries with it less weight, especially upon this occasion when overdone legislation is, in a great measure, depriving you of occupation and possibly provoking an asperity of feeling on your part toward the Insurance Companies.

It might naturally be supposed that the association of provident men for mutual protection of their widows and orphans and the safety of their creditors in case of death, would be universally recognized and encouraged as in the interest of public policy, and would probably become a favorite of legislation.

In your State, however, as well as in certain other States of the Union, hostile legislation has confronted the progress of Life Insurance. Onerous and unnecessary restrictions have been placed upon the transaction of its business.

The protection of the courts under the Federal Constitution has been denied to the associated insurers, and the premiums contributed for the support of widows and orphans have been pilfered and diminished

in the interests of political sinecures and for replenishing State and municipal treasuries.

California has now moved forward in legislation against Life Insurance from oppression to prohibition. The recent legislation of March 28th and 30th, 1874, prescribes that "any act, statement, representation or agreement, made by the Agent of a Life Insurance Company of another State, "shall have the same force and effect as if done or made by the principal." Under this provision no Company can secure safety by restricting the power of its Agents. Such powers as against the Company are practically absolute and unlimited, and are not even confined within the scope of the corporate functions.

Safeguards and limitations may be established in regard to the performance of their duties, by the Executive Officers, Supervising Committees and Boards of Trustees, at the home Office, while under the Statutes referred to, without their knowledge and in the face of their caution, the Company may be in process of sure and irremediable ruin through its California agency.

The same legislature further provides that the Life Insurance Companies shall pay to any California policy-holder, on surrender of his policy, a surrender value of three-fourths of its reserve.

If this rule were adopted by the Companies for application to all their policy-holders, and availed of by them, the result would be bankruptcy. To discriminate in favor of the California insurers against the others, even under statutory compulsion, would be dishonesty.

To insure the enforcement in the Courts of these provisions in a spirit corresponding to that which brought about their enactment as law, it was further prescribed in the said acts that no Company should be allowed to continue business in the State which availed itself of its right, under the Federal Constitution, to remove into the United States Circuit Court any actions which might be brought against it.

In view of these considerations, and as long as such legislation may remain in force upon the Statute Book, it is evident that no

Life Insurance Company which values credit, character or safety can continue business in California.

The Washington Life Insurance Company, in common with all other Companies who were unwilling to recklessly imperil the funds of their policy-holders, discontinued the transaction of business in your State. Upon so doing we were unwilling to risk the filing of any powers of attorney whatever to be construed by the California Courts, under the policy of the new laws, and when deprived by the State of the advantages to be gained by the issue of new policies, we would not consider ourselves justified toward our other policy-holders in incurring the expense of hiring an Agent and paying fees for his license merely to receive the premiums which should fall due to us on existing contracts.

In order, however, to facilitate our existing policy-holders in regard to arrangements for their continued payments, and to show our desire for acting toward them with the fullest courtesy, as well as good faith, we sent to them the circular referred to by you.

None of the parties interested have complained, but, as far as heard from, all have acknowledged our courtesy in the matter. The only complaining party is yourself, and your own interest in the matter is the amount you would receive for fees if we had acted otherwise.

Considering the smallness of the interest, we must be pardoned for expressing astonishment at the strength of your feeling, which leads you not only to impute sinister motives to us, but to pronounce condemnation upon Life Insurance in general, as heretofore conducted in your State.

Your letter, however, is acceptable to us for one reason. It shows us the official material which has probably made up and urged through the late legislation in your State, which, before this, was to us a matter of conjecture and not easily determinable.

Yours Truly,

W. HAXTUN, *Secretary.*

[From the Medical Record.]

Life Insurance Practically Considered.

By THEODORE PARKER, M. D., OF N. Y.

Life Insurance has grown to such vast proportions, and its benefits are being so widely extended, that the public and its managers are equally interested in its prosperity, and the union of various companies, within a short period, for mutual consultation, interchange of opinion and experience, shows the newly awakened interest of its managers.

So far its mortality has been too great, and after ascertaining the cause, a new and early departure must be made.

It is to be regretted that hitherto, while treated and discussed fully in its business aspects, its medical relations, if not ignored, have escaped that attention which their first importance demands and the opinions of its medical staff in its councils have been unheard, or deemed of minor importance. It is an earnest now of its progress, that the medical department, among several able officers, is receiving that attention which must result in general good.

It may not therefore be deemed inopportune to offer a few views of a practical character, which in the many interesting communications upon the subject have been but lightly touched upon, and which experience has demonstrated to the writer to be of vital importance, not only to the welfare of the companies, but of equal interest to their medical representatives. First, as to the selection of examiners. The company or home office must select, entirely independent of the agent and in advance of agencies, examiners who are men of character, strict integrity, and firmness; in other words, men who are thoroughly *reliable, competent, and prompt*; and when selected, no examinations should be received from others, unless in the absence or illness of the selected examiner, when an alternate, approved by himself and company, might be temporarily employed. The examiner's certificate should be sent from and

by the home office to the examiner for him to fill up, notifying him at the same time that he is the selected permanent medical representative of the company for his locality. Of the various plans by different companies of arriving at this object—the selection of proper examiners—some are faulty, others too expensive, and generally, so far, unsatisfactory. It may be asked here, how is the home office to accomplish this, and select proper examiners at a distance? Can they be certain they have made no mistake in the selection? The reply is, it has been and is being done daily; but to dwell upon or explain the best method would extend too far the limits of this article, and belongs more properly to business management.—Now as to the relation of the examiner to the Company. The examiner should understand fully his true relation to the company. He should know that all selections and appointments are made by the *home office*, and not by the agent. He should understand that the company or home office pays him for every examination, whether favorable or not, though the agent, for convenience, may be allowed to hand him the regular fee prescribed by the company; that a proposition from an agent or applicant to pay him an extra fee, or any commission upon cases examined by him, any other than the company fee, is attempted bribery, and when an examiner so far forgets his self-respect, the dignity of his calling, and his true relation to the company as to listen to such a proposition, he is no longer a proper examiner.

In every case the examiner should consider himself as representing the company, and not the agent or applicant. In passing upon applicants he should know no friendship, and should give the company the benefit of all doubts; that in cases where a necessarily rather hurried examination fails at the time to discover any organic disease, and yet the general appearance or complexion suggests to the experienced physician a doubt as to the safety of the risk (cases have been improperly recommended because as stated the examination shows no disease), such cases should never be recommended without

an additional private note to the company, putting them in possession of those facts which could not otherwise be known, unless by an examination at the home office.

Again, the relation of the examiner to the applicant is often a very peculiar and delicate one. He is perhaps his regular physician, or that of his family and relatives. He knows of private matters, tendencies to disease, or evil habits—important information for the company—and yet obtained alone through this intimate and confidential relationship. His interests would all appear to be on the side of the applicant, but he feels that he cannot conscientiously recommend him. The agent allowed to select his own examiner finds another who will. Unless he passes the case, he expects to incur the ill-will of the agent, applicant, relatives, and friends. If he is a man of sufficient firmness to do his duty, he may brave all this and make the sacrifice. There are those who do not consider it expedient to make this sacrifice, and think they should be allowed to recommend any risk, while putting the company in possession of all the facts. These should send a private note with full explanations to the home office, for the company must depend upon their fidelity to its interests. Again, it is hardly just that the examiner should injure himself pecuniarily in the service of the company, unless the pay for his services should be in proportion to the injury sustained. Hence, while the system of having the application and examiner's reports upon the same sheet remains in force, the only remedy seems to be extra private correspondence in every case between the examiner and the medical department at the home office.

Under the present general system of paying solicitors or agents, their income derived from the number of cases insured, good or bad, there is a strong inducement for them to sacrifice quality to quantity, and as self-interest warps the judgment with some, the effect is to forward any application which a pliable or ignorant physician will recommend; the agent reasoning with himself in this way: "I am not a doctor, and am not supposed to know a healthy from an un-

healthy subject; the company must look to their examiner for this; it is his business not mine." This is true in cases where the company has selected its own examiner independently of the agent, and they will be safe in doing so; but where the agent has selected his own examiner, and made his own terms with him, and can discharge him at will, the company would be safer, or as safe, to dispense with the examination altogether, and accept the risk upon the recommendation of the agent, making him alone responsible.

A prominent insurance officer, several years ago, stated to the writer that from his experience he was beginning to believe that medical examinations were of little value in life insurance. The reply was: "Under the present system of selecting examiners I agree with you perfectly, and consider them worse than useless. But with the selection of proper examiners by the company, and not by the agent, examinations are of inestimable value, and indeed are the sheet anchor of life insurance, the one great and only source of safety for the company." The results have since confirmed and proved beyond a doubt the views then expressed. For success the company must look to the honest, disinterested and impartial judgment and report of the examiner to protect them against doubtful or bad risks. The honesty of the examiner is the first, and by far the most important point; next, his professional skill, for the highest professional ability, without honesty and faithfulness to the company's interests, furnishes no protection whatever.

It is for this reason that an examiner of but moderate professional attainments, possessing this honesty, is often preferred to others of much greater reputations, who are easy, careless, or accommodating.

Those companies that succeed and continue to merit public confidence must secure both, viz: the strictest integrity and the best medical talent. When these are added to a prompt discharge of duty, they may hope to do a safe business, and look for a greatly diminished mortality. Failure is only a question of time with any company that re-

ceives examinations from any physician who can fill up a readable examiner's certificate at the request of the agent, and of whom the home office knows nothing except the favorable reports furnished perhaps by his own references. Furthermore, the term "agent" is a misnomer, and calculated to mislead inexperienced examiners. The solicitor for life insurance is in no sense of the term an agent of the company, and the distinction should be clearly defined by the company, and should be fully understood by the examiner. Cases have occurred where the examiner felt some doubt as to the propriety of recommending certain risks. His doubts have been removed by the remark from the agent: "It is certainly not a first-class risk, but recommend it, and we will take it upon some plan or other." The examiner has been greatly chagrined to learn afterward, when his reputation was at stake, that the term *we* did not represent the interests of the company, but those of the individual agent himself.

While there are agents who, if they fail to get an impaired life insured in one company, will have it "go the rounds," there are honorable exceptions who identify themselves with the company and guard its interests; but a few of the baser sort, with the aid of unreliable examiners, can do an incalculable amount of injury, and neutralize the best directed efforts of the others.

There should be full, free, confidential and constant correspondence between the examiner and the medical department of the home office. Confidential it must necessarily be, for the subject is one involving not alone length of life and pecuniary obligations, but in many instances reputation itself.

In reference to the professional attainments or qualifications of the examiner, or the proper method of making examinations, it is not the design of this article to speak. As to the third point, however, promptness, the necessity of this is sometimes overlooked. For instance, the company has selected an examiner of known integrity and thoroughly competent. When called upon by the agent to make an examination,

he perhaps replies: "Bring the applicant to my office;" or, "When convenient I will call and examine him." Either of these would be fatal to the business of an agency. Perhaps when in the presence of an applicant, he may discuss the subject of life insurance in a way to discourage him. This would also be doing great injury to the company employing him. He forgets for the moment that the whole matter has been fully discussed before he is called upon, and his duties are to examine and report the results of examination, with his opinion, to the company. He should reflect that he is not expected by the company to solicit; but, on the other hand, he should be careful to do nothing which could injure or embarrass the efforts of the solicitor. He should *act promptly*, give all the information to the company bearing upon the risk, as he alone has the applicant before him—then his opinion; for upon these facts and opinions the insurance company must depend to decide upon acceptance or rejection. He should do this faithfully, and then concern himself no further as to the fate of the application, for there his responsibility ends. As long as he reports fully and truthfully, though the risk may be rejected, he still enjoys the full confidence of the company, and what to many is more, the consciousness of a faithful discharge of duty.

Plodders and Plodding.

[From the *Insurance Agent & Review*, London.]

"The world is his who knows but how to wait."

What have not the plodders done for this world by their unwearying plodding! In every department of life are to be found the monuments of their labor. Nor is Insurance an exception, for it is by the unceasing efforts of the Plodding Agent that the system has acquired the position it occupies, and it is by the Plodding Agent that its use must extend.

It is the men of one idea rather than those of varied talents who achieve the most in almost every path, and it is the perpetual operation in one course that secures the

greatest results. Well has it been said that "running water has sharp teeth." While the worn stones in the runnel testify to the powerful influence of the profluent water, biography is rich in records of difficulties overcome, and success attained, by simply devoting the whole energy of the man to one subject.

Concerning beginnings and endings, most of us could say something highly practical and instructive from our own experience.

In any pursuit how many there are who take the prelude steps, compared with the few who persevere until they succeed. The latter are the Plodders. In insurance, the work is done and the money is made by the Plodding Agent.

It is nothing different from the common lot to have to work and wait patiently, yet in consequence of a few of our fellow-men arriving suddenly to the pinnacle of their aims, we are all apt to be in a hurry. But no man ever made an insurance agency in a hurry. If it were so built up, it would likely be of such a class that it would depart in a hurry also.

It is not ignoble to be a plodder. A host of illustrious worthies of whom the world is proud, and for whose living the world is better, were but patient investigators, patient workers, patient writers, patient followers of one object. Still more emphatically and universally are the successful men of business intelligent plodders; while every insurance agent in the past or present, here or elsewhere, who has made a large income by his agency, has done so merely by his following it up with steady, unremitting ardor.

The disposition of the age is too much in favour of "short cuts" to fortune. It seems so much easier to make £50 or £100 by having a little "spee" in Eries or Perus than making the money by patient, studious toil. My grandfather was always spending his money in lottery tickets, and when he could not afford a whole ticket he went in for a fraction of one. I am much wiser than my grandfather, and I hope to make no end of money by the fortnightly differences in certain foreign stocks wherein I am "knowing."

But somehow I and my grandfather seem pretty generally to come out of the affairs in much the same way. But while the speculator, ancient and modern, in the majority of instances fails in his object, the plodding follower after legitimate earnings usually succeeds.

If you, my reader, have it in contemplation to become an effective Agent, and to make a good thing of insurance, and eventually, perhaps, achieve independence by it, you must make up your mind to be a Plodder. If you expect proposals to shower into your hands like letters into a post office you are misconceiving the nature of the work. But if you are prepared for a steady, regular, daily effort to get business, then you are in a fair way to realize all your expectations.

There is one great advantage about insurance work which is a great encouragement to Plodding—that the benefits are continued for years after the transaction has been virtually completed, so far as the agent is concerned. If my agency yields me £50 the first year, and I continue to exercise the same diligence, it is pretty certain to yield me £100 the second year, for what I then acquired will be added to what I previously had obtained. Of course I lose some business annually, but the inflow will certainly exceed the outflow if my application to the agency is the same as at first. These gradual increments are the fitting returns of a Plodding system.

And are there not Plodding offices as well as Plodding agents? and are not these the institutions which are always steadily seeking for new business, while at the same time they slowly pile up wealth, becoming, as it were, rocks of gold on which assurers safely build for the future?

And now we come back to where we started from—the line which stands at the head of this article—"The world is his who knows but how to wait." If you want to get on, just study it. At least half the failures in life (perhaps more) are due to impatience. The man who intelligently plans, diligently labors, and persistently waits, is rarely disappointed. And he is a Plodder.

Fire Insurance in Panama.

The city of Panama has a good deal to show for the destructiveness of its fires, and but very little, we are sorry to say, in the way of being prepared against renewed assaults by this enemy of great cities. Since the last conflagration the insurance companies in England, which have had to pay for their risks, now either refuse to insure any further, or at exorbitant premiums. As this is a strict business matter, admitting of no relief in the way of sentiment, their resolution need not be wondered at. The insurance companies, so far as we know, have honestly fulfilled their part of the obligation, and with the money received, several of the burnt houses in Panama are being again rebuilt and restored. The old Aspinwall hotel, and several other burnt houses of the former fire, continued untouched. Although the calamity in both cases was great, yet so far as outside spectators could see, the loss in most cases was borne with a great deal of philosophy. The spirit of association for any purpose, has never been very conspicuous in Panama. In the matter of prevention from fires, the Government has generally been looked to, to take the initiative, or that some foreign company would bring an ample supply of water into the city, allowing people to use it or not as they liked. Wiser and more enlightened views are now prevailing, especially among our more intelligent citizens, and the conviction is gaining ground that something must be done to make a good use of recent lessons and lay the foundation for the security of the future.

If we turn to other countries for consolation as well as for experience, there is perhaps no city that has gone beyond Chicago in the matter of destructive conflagrations. We now find in the latest news from the United States, that the fact that the Insurance Companies have refused to insure property in Chicago, has aroused the people and authorities of that city to a sense of their danger, and are now determined to do their own business in that line. Householders can now get insurance at a less rate of prem-

ium, for they have been enabled to compel the authorities to provide means for the protection of property against fire. It is admitted on all hands that the city of Chicago had a good fire department before the two great fires, but what was the use of fire engines, when water could not be got except through a pipe only three inches in diameter. The fact is, that although Chicago bordered on a great lake, as Panama does the sea, dispositions had not been made to supply water in sufficient quantities. Money had been appropriated for the proper supply of water, but the authorities, trusting to the chapter of luck, had applied it to other purposes, as happens in many places besides Chicago. Anything less than a 12-inch supply pipe is considered inefficient.

As for Panama, it is satisfactory to know that the present Assembly is occupied discussing the bill for the supply of water by aqueduct. One of the bases of the project proposes that the State should guarantee 2 per cent. besides the 7 per cent. which the National Government offers on a capital of \$200,000 for the building of water works in Panama. The bill was introduced and advocated by Don Manuel Hurtado, who takes such great interest in all projects for public education and material improvement, and submitted in committee to Don Augustin Arias, who highly recommended it in his report to the Assembly on its session of the 27th ultimo. We have no doubt serious efforts will be made to carry the plan out. An abundant water supply to Panama would make it a new and splendid city, and pleasant to reside in. What with increased healthiness produced by efficient drainage, increased value of property, the ornamenting by fountains in parks and squares, not to speak of the thousand and one domestic convenience which would come in the train of water supplied *ad libitum*, the reduction of insurance rates, diminished price of goods and necessities of life, are known to every one who has ever read anything about the domestics and out-door life of large cities as being closely connected with an unstinted supply of good water. We have no doubt the Assembly will carry the matter through,

so far as its action is needed, and that the Government, with the co-operation of merchants and patriotic citizens, will do the rest.—*Panama Star and Herald.*

Peoples' Ins. Co., of Philadelphia

HOLLISTER, CAL., 13th Nov. 1874.

J. G. EDWARDS, EDITOR OF COAST REVIEW, San Francisco:

DEAR SIR:—Can you inform me where Kennedy is, and if he is still agent of the "People's" Company of Phila. L. B. Edwards, of Hollister, advised me to write to you and find out, for the interest of one of the parties damaged by the fire here last night, whether the People's Company has any representative in San Francisco, and if so, to please hand the enclosed note or forward it to him.

By attending to this you will oblige,

Yours truly,

SHAW BROS. & Co.,
Editors of *Advance*.

Here is the enclosed note.

HOLLISTER, CAL., Nov. 13th, '74

To Agent of People's Fire Ins. Co:

DEAR SIR:—I am insured in the People's Co. of Philadelphia, and have met with a loss through damage done to my building by a fire of an adjoining building. Having had to remove my stock of liquors, fixture, etc., I am subject to serious damage and want the company to make my loss good. Mr. Kennedy placed insurance for me in the company, through an agent here.

Please communicate with me at once.

Yours truly, C. MILLIKEN,
Per Blake.

We give place to the above communication in our columns, that they may draw their own moral.

The People's Insurance Company of Philadelphia was denied admission to this State by the Commissioner, who, on subsequently ascertaining that its policies were being issued in defiance of the law, published an advertisement to that effect in the daily papers of this city. It now transpires that

the "policies" were issued and accepted by credulous property-owners without examination or hesitancy, who rest in blissful ignorance that the company has no longer an existence until a fire renders it necessary that the policy-holder should endeavor to ascertain from whom the indemnity has to come.

The People's of Philadelphia, like many other ephemeral affairs, was arranged for a foreign market. Its manager and principal stockholder was a sharp young insurance man named Harry Prindle, of New York City, who did an underground business of considerable size until a too inquisitive Commissioner began to press him warmly, when he gathered up the spoils and left for Europe.

The developments then made, established the fact that the People's had no substantial basis, and what was left of the concern was forthwith wound up.

It is almost incomprehensible that the policies of such concerns can find a market, and that business men shrewd in every other department of business, will accept the policies of any company which may be offered them without a moment's consideration as to whether the concern can meet the obligation it assumes. That the case of the Peoples and its Hollister policy-holder is not an isolated one, let the victimized claimants under policies of the many other companies who have made their advent to our shores, raided on our people and then dropped out of sight testify.

It is especially essential that agents and property-owners should scrutinize the character of the companies who are now making their advent to our shores in such numbers. The reputation of the former is largely governed by the status of the companies which he recommends to his friends, and he will find it a costly luxury to be obliged to sacrifice that, even at the very "liberal" commissions allowed by "wild cat" concerns.

—It has been reported that Commissioner Stedman has discovered a large deficit in the assets of the American National Life and Trust Company, of New Haven. A receiver will likely be appointed.

Companies authorized to do business in California.

In answer to many inquiries from the interior, and for the benefit of our readers generally, we give below a list of all Fire and Marine Insurance Co's. authorized to do business in California. The list will be corrected on the 1st of each month.

CALIFORNIA COMPANIES.

California Farmers' Mutual.....	San Francisco
California Ins. Co.....	" "
Commercial Ins. Co.....	" "
Fireman's Fund Ins. Co.....	" "
Home Mutual Ins. Co.....	" "
State Investment and Insurance.....	" "
Union Ins. Co.....	" "

COMPANIES OF OTHER STATES AND FOREIGN COUNTRIES.

Ætna Ins. Co.....	Hartford
Amazon Ins. Co.....	Cincinnati
American Central.....	St. Louis
American Fire.....	Philadelphia
Atlas.....	Hartford
British and Foreign Marine.....	Liverpool
China Traders'.....	Hong Kong
China and Japan.....	Shanghai
Chinese.....	Hong Kong
Citizens'.....	St. Louis
Citizens'.....	Newark
Clay Fire.....	Newport, Ky
Commercial Union.....	London
Connecticut.....	Hartford
Continental Fire.....	New York
Faneuil Hall.....	Boston
Fire Association of Philadelphia.....	
Franklin.....	Indianapolis
Franklin.....	St. Louis
Girard.....	Philadelphia
Germania Fire.....	New York
German American.....	New York
Globe.....	Chicago
Hamburg Bremen.....	Hamburg
Hanover.....	New York
Hartford.....	Connecticut
Home Fire.....	New York
Home of Columbia.....	Ohio
Imperial Fire.....	London
Ins. Co. of North America.....	Philadelphia
Kansas.....	Leavenworth
Lamar.....	New York
Liverpool and London and Globe.....	
London Assurance Corporation.....	
London and Lancashire.....	
Lorillard.....	New York
Maritime.....	Liverpool
Manhattan Fire.....	New York
Mercantile.....	Chicago
Merchants'.....	Nowark
Meriden.....	Connecticut

Mississippi Valley.....	Memphis
New Orleans Ins. Co.....	
New Orleans Ins. Association.....	
Niagara.....	New York
Northern Assurance.....	London
North British and Mercantile.....	London
Orient.....	Hartford
Pacific Mutual Marine.....	New York
Penn Fire.....	Philadelphia
People's.....	Memphis
Phenix of Brooklyn.....	New York
Phenix.....	Hartford
Queen.....	Liverpool
Royal.....	Liverpool
Saint Joseph.....	Missouri
Saint Louis.....	Missouri
Saint Paul.....	Minnesota
Scottish Commercial.....	Glasgow
Springfield.....	Massachusetts
Svea.....	Gothenburg
Swiss Lloyds Marine.....	Winterthur
Switzerland Marine.....	Zurich
Traders'.....	Chicago
Transatlantic Fire.....	Hamburg
Transatlantic Marine.....	Berlin
Union Marine.....	Liverpool
Westchester.....	New York
Yangtze.....	Shanghai

Co-operative Life Insurance.

The *Insurance and Real Estate Journal* of New York contains the following sensible remarks on the co-duperative plan of mis-named insurance :

The advocates of this system of life insurance have lost much of that ardency with which they entered the field a few years ago. Experience has improved their knowledge, and under this influence most of those who who early identified themselves with these associations have withdrawn their contributions. The specious and apparently simple scheme of receiving \$1,000 of insurance by contributing only a dollar upon the death of a brother, seemed to be a great benefit with little cost. It was not until the initiated found that a death occurred about every three weeks that they began to feel the infliction of the spur and declined to endure the goading of a second year. This weakened the resources of the association, and those who believed that they had secured to their families \$1,000, soon saw that they had placed their confidence in a myth, and proposed to abandon the fellowship also.

Legitimate life insurance is of a solid character, constructed upon a principle established by the practice of a century. It provides a reserve fund with which to meet its claims as they reach maturity, and not depend for this vital feature upon the caprice, but upon the conviction of its policy-holders.

We know how generally the co-operative system was adopted by various sections of mechanics, and even professions, under the false impression that they could thus attain an intrinsic privilege at a greatly reduced cost; but they soon found themselves deluded by the shadow of what they sought. But those who seriously desire to make a provision for their families—those of narrow circumstances who wish to place their wives and children beyond the reach of poverty and suffering, will affect nothing by confiding in the hollow constitution of co-operative associations, for their object is to demand a high price, in an ingenious and fraudulent manner, for that which they describe so brilliantly, but which they rarely furnish.

The Asbury Life Insurance Co.

The above-named institution was organized and commenced business about April, 1868, with a capital of one hundred and fifty thousand dollars, office No.—, Broadway, New York, officered by Lemuel Bangs, President, and George Elliott, Secretary.

The *Evening Express* says the Company should have attained a marked success, starting under more favorable circumstances than the Equitable. We fail to see the favorable circumstances. The following figures will show the operations of the Asbury as shown by the reports to the different insurance departments:

Income in 1868 was, premiums, \$38,210.44; interest, \$5,272.20; other cash items, \$492.46, making total cash income, \$43,975.10.

The total expenditures were, \$36,272.09, or over 82 per cent. of income; number of policies in force at the end of the year, 795,

covering \$1,907,732 insurance. Not a very large gain the first year.

In 1869 they received \$146,318.73, and paid out \$108,492.37, or 73 per cent. of gross income. No. of policies in force at the end of the year, 2,065, covering \$4,271,280 insurance. Not very flattering report the second year.

In 1870 the income was \$174,964.74; total expenditures during the year, \$169,706.32 or about 97 per cent. How is this for favorable circumstances?

No. of policies in force at the end of the third year, 2,898, insuring, \$5,949,648.

In 1871, the total income was \$204,548.40; total expenditures, \$180,162.37, or about 88 per cent. of income.

The income in 1872 was \$220,240.12; total expenditures, \$176,998.39, or 80 per cent. of the income. Whole number of policies in force at the end of the fourth year was 2,775, insuring \$5,127,139. In 1873, the income of this "favorable circumstances" was \$229,664.13, with total expenditures of \$223,201.07, or 97 per cent. Whole number of policies in force at the end of 1873 was 2,175, insuring \$3,763,033. The New York report for 1874, shows total assets of the Asbury to be \$327,584, with a liability as to policy-holders of \$348,135, and yet some one said the receiver would wind the institution up without loss to the policy-holders.

The Asbury is one of 29 companies that was mentioned in the Dec. No., 1872, of this journal, as having its capital impaired and must sooner or later close up shop. Something over 20 of the number have closed out, and more to come.

—To show the magnitude at present, and the rapid increase since 1851, of the Mutual Life Insurance Co. of New York, we give the business as follows:

	1851.	1873.
Total assets.....	\$1,348,679	\$65,343,400
Nos. of policies in force...	6,305	83,416
Amount of insurance.....	15,886,181	289,505,759
Premium income.....	440,773	17,818,889
Interest income.....	60,340	3,742,408
Amount of losses.....	158,540	2,904,389
Interest over losses.....	98,200	838,028
Expenses of managem't...	45,694	1,639,284
Reserve.....	1,298,543	57,743,691

CHIPS.

—The Teutonia Insurance Company, of Philadelphia, has been admitted to do business in Boston.

—The *Equitable Society of England*, has paid since its organization the sum of \$160,000,000 claims including bonus.

—Our Eastern exchanges are full of "Cornelius Walford in America." What is your next text, gentlemen?

—Somebody says Hewett, of the *New York Insurance Chronicle*, is going to spend the Winter in Florida. What is the income of the *Chronicle*?

—W. B. Hickok, Esq., has been appointed general agent for the State of Nevada, for the California Insurance Co. Mr. H. also represents the State Investment.

—The Westchester Fire Insurance Company of New York, and Citizens of Newark, N. J., have been authorized to do business in California, with Potter, Jacobs, and Easton as agents.

—The Virginia Fire and Marine Insurance Company of Richmond, organized in 1832, capital \$250,000, has been admitted to do business in the State of New York, with Mr. C. W. Standart, 139 Broadway, as its representative.

—Mr. Henry Thomson, the Liverpool manager of the Liverpool & London & Globe Insurance Co., and T. W. Thompson, Esq., manager Queen Insurance, Liverpool, arrived in this city a few days since. These gentlemen are on this side of the water looking after the interests of their respective companies.

—The Trust Fund Insurance Association of this city, sent to the Pacific Mutual Life Insurance Company of California from September 5th, to November 24th, 249 applications, insuring \$781,000 on which the premiums were \$44,263. These applications are all on the trust fund plan, on which the party receives a certificate of deposit from the Western Savings and Trust Co. after the first year. This trust fund system has been fully explained in *THE REVIEW*.

—Mr. Alfred Pell, Secretary of the United States Branch of the Liverpool, London and Globe, has resigned that position.

—A fire in St. Louis, November 17th, destroyed property to the amount of \$48,000, fully insured.

—Nov 22nd, a fire at Syracuse, N. Y., burned property amounting to \$130,000, insured for \$85,000.

—Geo. F. Grant, Esq., the energetic special of the Fireman's Fund Ins. Co., has resigned that position and accepted the position of special agent of the North British and Mercantile for the Coast.

—The Metropolitan Life Insurance Co., of New York, has made the necessary deposit and appointed a resident director in Canada, and we presume will push the business in that field with the same degree of energy that characterizes them elsewhere.

—John Landers, Esq., General Agent Manhattan Life Insurance Company for this Coast, and family, have just returned from an extended trip to Europe. John looks well and reports having spent the time very pleasantly.

—Mr. A. D. Smith, of the insurance firm of Hutchinson, Mann & Smith, has returned to San Francisco, having been absent about four months, visiting the principal cities in the Eastern and Western States, in the interest of his firm.

—The *Insurance Reporter*, of Philadelphia, has received, during the year 1874, the subscription price of that paper from twenty-seven subscribers. How do we know? Why, the *Reporter* published what they each said when remitting. Well, the *Reporter* must publish something.

—We have received the November number of the Advocate of the Protection Life Insurance Company of Chicago, in which there is many complimentary notices of that institution, among which there is one where a policy-holder in writing to that company says: "I have a good thing and want to keep it." Another one says: "Enclosed find amount of premiums. I am in about as good health as when I insured."

—The Alameda County Insurance Company has re-insured its risks in the Home Mutual of this city and shut up shop.

—J. R. Brown, of Sacramento, has resigned the agency of the State Investment and accepted the agency of the California and Commercial Insurance Cos. of this city.

—The Penn Fire Insurance Company of Philadelphia has been examined, under their new statement, and claims \$221,000 surplus as to policy-holders.

—It was rumored that the John Hancock Mutual Life Insurance Company was contemplating re-insuring, but the President of the Company says that the rumor is without foundation.

—The Insurance Commissioner, J. M. Spencer, of Rhode Island, will accept thanks for a copy of the Insurance report for the year ending December 31st, 1873.

—One Mr. Wilson, Secretary of the Oriental Insurance Company of Jersey City, has taken a short leave of absence, and with it \$13,500 of the company's money. Who comes next?

—Mr. A. B. Brady, the well known insurance agent of Nevada County, has resigned the agency of the Imperial, Northern and Fireman's Fund Insurance Cos., and now represents the California and Home Mutual.

—During the past month A. J. Hinds of Santa Cruz, for several years agent Phoenix & Home, but more recently appointed agent California Insurance Co., called on us. Mr. Hinds also has the agency of the State Investment, and is a live agent, sending his companies a first class business.

—During the past month Mr. W. L. Chalmers, general agent California Insurance Company, appointed the following agents: M. Fitzgerald, Marysville, Cal.; A. B. Brady, Grass Valley; J. E. Rucker, San Jose; A. J. Hinds, Santa Cruz; W. M. DeWitt, Woodland; S. W. Raveley, Knight's Landing; John D. Arnold, Colusa; D. B. Lyon, Red Bluff; G. J. Bourne, Chico; C. Holland, Wheatland; C. C. Swain, Martinez; M. S. McNulty, Antioch; Carl & Co., Oakland, J. R. Brown Sacramento, and W. B. Hickok general agent State of Nevada.

—S. P. Blagden, Esq., Associate Manager of North British and Mercantile Insurance Company, of New York, is visiting this Coast in the interest of his company.

—Alfred James, Esq., of Chicago, agent of the Northwestern National Insurance Co., of Milwaukee, has been expelled from the Chicago Local Board for cutting rates.

—E. D. Farnsworth, Esq., of the firm of Farnsworth & Clark, General Ins. Agents of this city, has gone East on business connected with the agency.

—The People's Insurance Company of Memphis, Tennessee, has complied with the laws of this State, and appointed Hutchinson, Mann & Smith, as agents. The company had, on July the 1st, assets amounting to \$423,674, with a surplus as regards policy-holders of \$357,759. This company proposes to allow their agents to invest the receipts of this Coast in the Bank of California, to be invested in Government Bonds, which gives it the advantages of a home Company.

—During the past week we were honored with a call from Mr. D. W. C. Skilton, the efficient Secretary of the Phoenix Insurance Co. of Hartford. Mr. S. is visiting the Coast on business connected with his agency of the Company, and if we are to be the judge would say that he is *the* man, capable of attending to any business connected with insurance matters, understanding the details of the agency business thoroughly. Mr. Skilton returns to Hartford with the best wishes of all who were fortunate enough to make his acquaintance.

—We have watched with considerable interest the progress of the Union Mutual Life Insurance Company; moving steadily but surely, the managers of this old and reliable institution have won for it an enviable reputation. There is a general complaint of dull times among life companies all over the country, but we think the Union Mutual has no cause for complaint. The business of this Company has increased for the first ten months over the corresponding ten months of 1873, 1,514 policies; during the month of October of this year the Company issued 562 policies, against 368 in October, 1873.

—Geo. W. Reed, of the *Investigator*, an insurance paper published in Chicago, "steps down and out" of that concern and leaves one J. S. Bloomington to paddle his own canoe. Bloomington says, in the same issue, "I take the responsibility." What a brave boy he must be.

—J. E. Bigelow, Esq., for several years city agent of the Home Mutual Ins. Co., but more recently with Farnsworth and Clark's insurance agency, has accepted the city agency of the State Investment of this city. J. E. is an experienced and efficient underwriter, and will prove, we have no doubt, a valuable accession to the State Investment.

—C. C. Hine, Esq., editor and publisher of the *Insurance Monitor*, and *Law Journal* of New York, will please accept our thanks for advance proofs of the United States Supreme Court decision in the case of Home Ins. Co. of New York vs. F. Morse et al., of Wisconsin, which will be found in this number of the Review in full. This decision has been looked for with no little interest, as it involves many points of interest to the insurance fraternity and the people at large, especially the point in reference to the constitutional right of a State legislature to pass a law debarring a citizen of another State from the U. S. District Court.

—The Executive Committee of the National Board of Underwriters, on the 1st inst. adopted the following:

"Resolved, That in view of the report of the Committee appointed to visit Chicago, and of the improvements already made, of those now in progress, and of assurances given to said Committee by the authorities of Chicago that the recommendations of General Shaler with regard to the Fire Department will be carried out at the earliest practicable date, companies belonging to the National Board be advised that the question of reopening business at Chicago is referred to the several companies, to take such action as they may individually deem wise and prudent in view of the information presented by the report of said Committee."

—Mr. Thomas C. Grant, formerly Special Agent of the Pacific Insurance Company, and, since the failure of that company in the Chicago fire, General Agent for this Coast of the Fireman's Fund Insurance Company of this city, has been appointed General Manager for the North British and Mercantile Insurance Company, of London, for the Pacific States.

The appointment is an excellent one, as Mr. Grant brings into his new position an experience gained by direct intercourse with each branch of the profession.

We wish the new manager and his company abundant success.

—Mr. M. P. Morse, formerly general agent and attorney for the *Etna* Life Insurance Company, with headquarters in San Francisco, has organized a new Life Insurance Company in Portland, Oregon, called the North Pacific Mutual Life Association, with a capital of \$100,000 and M. P. Morse as general agent.

Just what Portland wants with a Life Insurance company is beyond our comprehension. Of course one can understand what Mr. Morse wants with one, but we fail to see wherein the holders of the stock in this institution will be benefitted. We have been honored with the papers and circulars of this company, but they arrived a little too late to receive our attention this month.

We promise our readers that we will look carefully into the proposed plans of this company and report the particulars, with comments, in our January number.

—The Home Insurance Company of Columbus, Ohio, has removed into their new and commodious offices, corner of High and Spring Streets.

We extract the following from an editorial in the *Ohio State Journal* of Nov. 18th, in reference to this Company:

"The dark days of 1870 and 1871 severely tested its strength and character as an organization, and though literally tried by fire, it came out unscathed in reputation. Chicago's appalling disaster cost it over \$400,000, and in the same month the fires in Michigan made a breach in the treasury to

the extent of \$75,000 more. Boston, in the following year, sent up in smoke and flame some \$60,000, and yet in the face of these calamities the company never asked or thought of compromise. Every dollar was promptly paid, and though the treasury was severely taxed there was remaining honor untarnished and an enviable name. Passing through such rough experiences, its capital became impaired, and on January 1, 1873, was reduced to two hundred and fifty thousand dollars, with ample surplus. The condition of the company was never better than it is to-day, and as an evidence of prosperity, which is only another name for good management, it is paying dividends satisfactory to all concerned.

—In June, 1872, the North British and Mercantile Insurance Company entered into an arrangement with the Phoenix of Hartford, and Home of New York, by which the three Companies shared in the profits, expenses, losses, etc., on the Pacific Coast.

On the 1st inst. this arrangement ceased by the withdrawal of the North British and Mercantile, which was caused by a disagreement as to how the business should be conducted the Phoenix and Home's idea of a general agency business differing materially from that of the N. B. & M.

The business of the Phoenix and Home will continue under the same arrangement as before, under the management of A. E. Magill, Esq., who is well known on the Coast as a gentleman, and an experienced Underwriter, assisted by the indifragible and experienced adjuster, L. L. Bromwell, and the energetic special, C. L. Dimon. All of these gentlemen are well and favorably known on the Coast, and with the well organized corps of agents, the Phoenix and Home will continue to write their share of the business on the Coast.

With the withdrawal of the North British, the contract between the three Companies, and Magill & Dennison ceased, Mr. Dennison retiring from the agency with the best wishes of his former associates and the Companies he represented. The management of Magill & Dennison was satisfactory to all concerned.

—The *Northwestern Review*, in its October number, tells us how the National Life Insurance Co. of the U. S. A., removed to Chicago.

—Twenty-seven Life Insurance Companies belonging to the Chamber of Life Insurance, paid to policy-holders, during the month of October, 1874:

Upon death claims.....	\$1,335,984.61
Upon mutual endowments.....	67,962.22
Total.....	\$1,403,946.83

—Judge Jno. A. Halderman, Vice-President of the Kansas Fire Insurance Co., and a Director of the Missouri Valley Life Insurance Co., has been elected a State Senator from the city of Leavenworth, Kansas. Mr. Halderman is a very efficient officer in the insurance business, and we hope he will prove himself useful in the Senate of Kansas.

—Of Corbin & Gaffney's troubles with the Metropolitan Life, the Baltimore *Underwriter* says: "Corbin & Gaffney, of the Northwestern Mutual, whose perfidy we have before had occasion to refer to in their desperate attempts at notoriety, made a petition to a New York court for the privilege of examining and taking copies of the books of the *Metropolitan*, for the purpose of making up a claim. Of course the motion was denied, and the costs thereof thrown where they belonged, upon Corbin & Gaffney.

Associated with these men is a certain Toal, occupying the position of Secretary to the Eastern Department of the Northwestern Mutual Life Insurance Company of Milwaukee. This individual, with the litigious atmosphere surrounding him, found it impossible to refrain from a little law suit on his own account; so he bethought himself of a pretext, and finally fixed upon a claim of \$6,000 for extra services alleged to have been rendered some years ago. On the day of trial he doubtless had the money all invested and bearing interest. All the plaintiff's and defendant's witnesses numbered *one*, and that was the Hon. Gentleman himself. He told the story of his wrongs, but when a letter was produced by the Metropolitan, and read to the Court, written by Toal himself, and expressing regret that he

already owed the company for an over-drawn salary, which, up to this time, had been graciously allowed to stand, the effect bordered upon the ludicrous. The Court refused to bother the jury with it, but dismissed the case, assessing all costs upon Toal."

—The "Switzerland" Marine Insurance Company, of Zurich, and the "Svea" Fire Insurance Company, of Gothenburg, have established an agency in this city, with Henry Balzer & Co., 213 California street, as their representative. The "Svea" was organized in 1861, with a subscribed capital of \$3,000,000, with \$300,000 paid up. The total amount of admitted assets January 1st, 1874, was \$856,611, exclusive of stockholders' notes and other obligations, of \$2,400,000. The Switzerland Marine Insurance Company was organized in 1870, with a subscribed capital of \$1,000,000, with \$230,000 paid up. The assets January 1st, 1874, was \$407,511, exclusive of the obligations and notes of the stockholders, amounting to \$770,000.

The assets of these companies are of a good class, and we feel confident that the patrons of these corporations will be properly cared for.

The agents are men well known in this city, the firm having been established in 1850, under the name of Ziel, Berthean & Co.

—The Deputy Commissioner of Connecticut lately made up the re-insurance liability of Humboldt Insurance Company of New-ark in a manner that a heavy impairment was thus shown. Upon this result being announced, the Connecticut Commissioner withdrew his license to do business in that State, because of said alleged over impairment as certified by its Deputy. New York and several other States, without examination, did the same, all based upon the certificate of the Connecticut Deputy. Ohio, however, demurred, and made a *seriatim* examination for itself, when lo! the result was the establishment of the illegal action of all the State officials alluded to—the company not being impaired more than the law al-

lows. The conclusions and official action, therefore, of the Connecticut Commissioner were illegal because founded upon a mistake. Yet immeasurable injury was done to the company before the error was ascertained. This shows the necessity, in accordance with the experience of the English actuaries, of each department making a personal examination for itself before it forms any conclusions or takes official action, especially if prejudicial to a company.—*Express*.

—The *Spectator*, of New York, in its November number, quotes from the *Lawrence Tribune*, of Kansas, concerning the quality and quantity of assets of the Missouri Valley and Alliance Mutual Life Insurance Companies. The *Spectator* winds up by saying: "These are certainly very serious accusations, and it becomes the duty of Mr. Russell, the insurance commissioner, to make an immediate investigation in the premises. If he has been neglectful of his business so as to permit such assets as are described to pass muster, then he has clearly demonstrated his incompetency, and should be made to follow in the track of Mr. Webb, his predecessor. But at any rate, Mr. Russell, let us have light first, and at once!"

Now it does seem strange that the *Spectator* failed to see, in the same number of the *Lawrence Tribune*, the reply of Commissioner Russell, in which the charges are shown to be erroneous in fact, and still more so by inference. The small sum of fifty dollars from these companies, will purchase a correction in the December number of the *Spectator*.

—The United States Supreme Court, in the case of *Heame vs. The New England Mutual Marine Insurance Company*, decided on Monday in favor of the latter, who had refused to pay a policy of insurance on a vessel lost at sea, which, in making its voyage from Europe to Cuba and return, had touched at two ports in Cuba instead of one as provided for in the policy of the Company.

Obituary.

We are pained to record the death of Joseph Crackbon, Esq., which took place at his residence in Sacramento, on Wednesday, Dec. 2d. Mr. Crackbon was an old and an honored citizen of Sacramento, and one of her leading business men. He came to this Coast in 1849, and has always been an industrious, honorable and useful citizen, having occupied positions of trust during the most of his residence here, and filled them to the satisfaction of every one and with credit to himself. During the last seven years he has been Secretary of the Pacific Mutual Life Insurance Company, of Sacramento, which position he filled to the entire satisfaction of all concerned. He was a hard working officer, and having the interest of the Company at heart, he exerted every energy possible to build up the Company on a permanent and prosperous basis. Gentlemanly and courteous in his demeanor, liberal and prompt in his dealings, strict in his enforcement of rules and regulations, and honest in his convictions and conduct, he endeared himself to all and became the tried and trusted friend and officer whose loss will be so deeply deplored. The company will never have a more faithful servant, and his associates will never know a truer friend. He was an earnest advocate of Life Insurance, and worked hard for its advancement and improvement, and in his death the system has lost one of its strongest supporters on this Coast.

—The agency of the Atlas Insurance Company of Hartford, which has heretofore been in charge of Farnsworth & Clark, has been transferred to the agency of Messrs. Hutchinson, Mann & Smith, 314 California Street.

—Henry B. Hyde, the President of the Equitable Life Ins. Co., has just secured \$50,000 more insurance upon his life, making the total for which he is now insured \$200,000. This new insurance was taken on the Life plan.

Obituary.

Mr. Edward Landers, well known and highly esteemed by the people of this State, was stricken by paralysis on Monday, November 30, and died in this city on the following day.

Mr. Landers had enjoyed good health up to the moment of this attack, and his sudden death was a surprise to every one.

Mr. Landers was born in New York City, March 16th, 1844, and was therefore thirty years of age. He came to California in 1861, graduated at St. Mary's College in this city in 1864, and married the daughter of J. P. Goodwin, the well known furniture manufacturer in this city, November 22d, 1870. In 1865, Mr. Landers associated himself with his brother John, as junior partner in the firm of Landers & Co., General Agents of the Manhattan Life Insurance Company of New York for this Coast, and by his honest and straight-forward manner and prompt attention to business won for himself a very high standing in this community. Mr. Landers had been Treasurer of the Ivy Club since its organization, and socially had a host of friends in San Francisco.

To Mrs. Landers, who is in delicate health, the blow is a severe one.

In the death of Mr. Landers the insurance fraternity have lost a well beloved brother, and the State an honored and worthy citizen.

—Since going to press with our last form we learned from *The Commonwealth*, of Topeka, Kansas, that the Hon. Edward Russell, Insurance Commissioner for Kansas, has resigned that position, to take effect at an early date. Mr. R. is now preparing and posting the books ready for his successor, whose name is thought to be H. Clarkson, Chief Clerk of the department since its organization.

—Hollister, California, has determined to construct new water works, to cost from sixty to eighty thousand dollars. A good determination.

PEOPLES

Insurance Company

Of Memphis, Tenn.

—
WM. B. GREENLAW,
President.

WM. M. FARRINGTON,
Vice-President.

J. A. SIMMONS,
Secretary.

—
Cash Capital, - - \$300,000.00

Cash Assets, - - \$423,674.34

—
Liabilities, - - - 65,944.87

—
Surplus as regards Policy Holders, \$357,729.47

—
This company has authorized its agents to retain and invest in Government Bonds the entire receipts of the Pacific Coast Agency, for the payment of its losses, thereby making it practically a home company.

ATLAS

INSURANCE

COMPANY.

Of Hartford, Connecticut

—
J. H. SPRAGUE,
President.

E. B. HUNTINGTON,
Secretary.

—
Assets, - - - \$320,000.00

Liabilities, - - - \$89,989.50

Surplus to Policy Holders, \$231,010.50

Hutchinson, Mann & Smith,

AGENTS,

314 CALIFORNIA STREET

San Francisco.

MINING AND METALLURGY.

Extracts from a Report on Panamint Mining District,

BY C. A. STETEFELDT, M. E.,

As reported in *The Engineering and Mining Journal*.

GEOGRAPHICAL POSITION.

The Panamint Mining District is located on the west slope of the Panamint range of mountains, in Inyo County, Cal.

The road by which the mines are, at present, reached, takes its starting point from Indian Wells, situated on the east slope of the Sierra Nevada, not far from Walker's Pass, a station on the road from Los Angeles to Cerro Gordo, 165 miles distant from Los Angeles.

Panamint is northeast of Indian Wells, a distance of 70 miles by the present wagon road, which has to cross three valleys and three low ranges of mountains between Indian Wells and Panamint.

The Panamint range has a general course of North 20° West and South 20° East, and is both in altitude and extent the most prominent one in this neighborhood, its highest peaks reaching an elevation of about 10,000 feet above the level of the sea; hence it attracts the clouds from the surrounding country, and is subject to heavy rains and cloud-bursts. On its east slope is Death Valley, which, according to Williamson's observations, is considerably below the level of the sea. Observations taken on the road from Indian Wells show that the descent of the valleys east of the Sierra Nevada is gradual, and terminates finally in Death Valley. In the immediate vicinity of the highest peaks, on the west slope of the range, are the canyons in which

Panamint District is located. Of these Surprise Canyon is the most interesting and prominent, containing the best mines of the district and the town-site of Panamint. South of Surprise Canyon is Happy Canyon, and to the north Narboe Canyon.

Panamint Range is of considerable width in this vicinity, the distance from its summit to Panamint Valley being 8½ miles, and to Death Valley, as I am informed, 18 miles.

Surprise Canyon has a general course of North 70° East, bending, however, to the Northeast at its upper end. In ascending this remarkable canyon one is surprised indeed; such steep, bold and barren mountains, intersected by deep gulches; such a variety of rocks, such grand traces of the work of the unfettered elements! I can only compare it with a chart of the moon, and conceive that such must have been the aspect of the whole of our earth in its earliest state. Neither grass nor soil cover these corroded mountain sides, and only a few huge cactus have fastened their roots to the rocks. The bottom of the canyon is formed of coarse gravel and great boulders, some of the later having been washed down from the very summit of the range. Unusually heavy storms have, again, from time to time, torn this young and gradually formed conglomerate and swept it further onward, cutting perpendicular channels ten and twelve feet deep.

Several springs make their appearance, the first one two miles from the mouth of the canyon. The canyon here becomes narrower, but more friendly. Luxuriant vines cover the rocks; wherever the soil is moist there are copses of willows, and occa-

sionally a small pine tree springs from a cleft in the rocks. Six miles from the mouth of the canyon we reach the town site of Panamint, laid out on most dangerous ground, in the immediate neighborhood of the mines, and about 6,000 feet above the level of the sea, or about 4,700 feet above Panamint Valley. Here the canyon is again wider, and two miles further-up it is barred by the summit, dividing it into a north and east fork.

The gulches which intersect the mountain sides at oblique angles with Surprise Canyon, commencing below the town-site of Panamint, are named respectively : on the north-slope : Woodpecker, Jacob's Wonder, Stewart's Wonder, Sourdough ; on the south slope : Cannon, Marvel, Little Chief, Stern. The ridges on either side of Surprise Canyon near its end rise to an altitude of about 7,500 to 8,700 feet above the level of the sea. These gulches are well timbered, the trees being nut, pine and cedar.

Although the district lies in a barren country, and is rather difficult to access, yet its natural advantages in regard to wood, water, and salt are excellent.

The geological features of the Panamint Range are exceedingly grand and interesting, and to do full justice to the subject would require a long study. I shall give, therefore, only such outlines as have an important bearing upon the formation of the mineral deposits, and for this purpose I shall confine myself to the geology of Surprise Canyon alone. Of course I lay no claim to great exactness for the reason given above.

Surprise Canyon, from its mouth to the summit of Panamint Range, presents a succession of sedimentary rocks, elevated, disturbed and transformed by a series of eruptive rocks at various intervals. For two miles from the mouth of the canyon we find a formation of dark-colored mica slates, alternating with quartzitic slates, with little patches of limestone here and there on the top of the ridges. In proceeding further, we find this slate traversed by dykes of greisen. Greisen is a rock of very rare occurrence, and consists of white crystalline quartz and white lithion mica. Its eruptive

nature, which has been doubted by some geologists, becomes here very evident. This rock becomes soon predominant and forms an immense mass, which I estimate to be about half a mile in width. Here, owing to the extreme hardness of the rock, the canyon is very narrow, in places just wide enough for the road. The greisen itself is again perforated by dykes of diorite, and where the greisen ends we find a more extensive eruption of diorite, which encloses a small formation of crystalline limestone. Then we meet a formation of light-colored, highly metamorphized quartzitic slates (with mica) which have altogether lost their stratification, traversed by dykes of diorite. This is followed by white crystalline limestone of about 1,000 to 1,500 feet in thickness, also containing diorite dykes. Then, again, dark-colored metamorphic quartzitic slates with mica, and horn-blende slates, cut by diorite and diabase dykes, occur for a mile and a half. These carry more or less limestone on the mountain ridges.

By this time we have reached the last two miles of the canyon, which here intersects that part of the formation which interests us most, namely, the mineral belt. The latter consists mainly of a bluish crystalline limestone, alternating with dark-colored limestone and calcareous quartzitic and mica slates. Finally the chain is closed by an enormous eruption of porphyritic trachyte.

In reviewing this grand formation, we arrive at the following conclusions in regard to the geology of Surprise Canyon: We recognize two great centres of eruption and elevation. The first and older is by the greisen, which upheaved and broke the sedimentary rocks, followed by eruptions of diorite which did their share in metamorphizing the sedimentary rocks. The second and more recent one by the porphyritic trachyte, which elevated the whole range to its present height, and undoubtedly was the cause of the formation of the mineral belt which leans against this rock.

It is also evident that Surprise Canyon is of eruptive origin, that is, a fissure riven in the mountain. The numerous dykes of diorite, which traverse the sedimentary

rocks, are rarely found to intersect both sides of the canyon, but are mostly found either on one side or the other, which would be unaccountable, if the channel of the canyon had been formed by the action of water.

The mineral belt of Panamint District extends from West to East two to two and a half miles, and from North to South about five miles. On the north slope of Surprise Canyon, where the formation is more regular, it consists of the following succession of rocks: hornblende slate; crystalline bluish limestone; dark-colored limestone, calcareous slate, quartzitic slate, and mica slate; dyke of diorite or diabase; white marble; dark slates; limestone; and then the enormous eruption of trachyte. This rock is composed of large crystals of sanidine in a flesh-colored feldspathic ground mass, enclosing occasionally crystals of hornblende, and dark mica.

While in nearly all the limestone districts of Southeast Nevada, as for instance, in Cortez, Mineral Hill, Eureka, Reveille, and White Pine, the ore occurs in the form of irregular aggregations, no matter if they are defined or not to a certain extent by some wall, or in the form of impregnations in the limestone—as is often the case in White Pine—Panamint District carries its ore in the much desired shape of veins, or to use the common pleonastic expression, in true fissure veins. I pronounce them veins, for the following reasons:

1. Their croppings can be traced without interruption for long distances.

2. There is a well defined system of parallel fissures.

3. These fissures not only traverse the limestone, but continue through the slate.

4. They intersect the country rock independent of the strike and dip of its stratification.

5. The ore is entirely confined to the gangue between the walls of the veins. In no instance did I find even a trace of ore in the limestone. Those who are familiar with the above-named districts in Nevada, will remember how the limestone teemed with little croppings, and bunches of ore of most irregular shape.

We recognize in Panamint District one main system of veins, which strike East of North, with a very steep dip West of North, to which belong nearly all the prominent ledges, and then a subordinate system, the veins of which strike West of North, and dip East of North. Examples of the first system are the Wonder, Marvel, and Hudson River; of the second, the Esparanza, and War Eagle. In comparing the strike of the different veins of the main system, there seems to be at first sight great confusion and irregularity; but these disappear at once, as soon as we take into consideration their relative position in the mineral belt. The fissures of the main system do not run in straight lines, but in curves. At the extreme West end of the belt, they have a course of about North 22° East. Proceeding further East they swing more and more East of North, reaching nearly due East and finally sway back to a Northeast course. Keeping this in mind we ought to be rather astonished at the great regularity of the system.

From the preceding statements it will be seen that the main system of veins runs nearly parallel with the course of Surprise Canyon. Hence the gulches which intersect the slopes of the mountain sides, must also cut the veins. In examining these points of intersection, we find that the veins are more or less disturbed and broken. It is apparent, also, that these gulches owe their existence to eruptive forces. On the south slope of the canyon we find also fissures with crushed limestone, for instance, near the Esparanza, causing a break in this vein.

It has been remarked before, that the veins are not confined to the limestone, but also continue through the slate. When they enter the slate, however, we find them generally split up into several branches, which condition is best illustrated at the east end of Stewart's Wonder.

Another peculiarity of the district is the occurrence of branch veins, which dip very flat, are sometimes much more developed, and carry richer ore, than the main vein. This case is well illustrated in Jacob's Wonder.

I hardly know a mining district where more continuous and bolder croppings are found than the Panamint. In mounting the ridges on either side of Surprise Canyon, the whole system of veins lies spread before the observer like a huge map. These croppings of compact quartz vary in width from a few inches to 20 feet and even more, and, being less destructible than the country rock, often project, like cliffs, over ten feet above the ground. They carry rich ore in continuance over long distances, but are also barren for long distances.

The gangue of the veins is a hard compact quartz laminated in thick layers parallel to the walls. The only exception to this rule was found in the Sunrise, situated at the extreme east end of the mineral belt. Here a great part of the quartz is spongy, the cavities often filled with crystals of quartz. In this mine also calcspar is found in the gangue, which I have not observed anywhere else.

The predominant silver-bearing mineral, which gives the ore its value, is a rich silver fahlore. It appears entirely undecomposed very close to the surface. In many places, however, we find it changed to stetefeldite, that is, a combination of antimonates of copper, lead, iron and zinc, with sulphuret of silver and water. Where this mineral makes its appearance, it is accompanied by the blue and green carbonates of copper. Much less frequent we find silverglance, chloride of silver and native silver. These latter minerals are predominant only in one mine, the Sunrise. Of the base minerals we find blende and galena.

As a general rule, the silver-bearing minerals are not finely disseminated through the quartz, but form visible grains from the size of a pinhead to a large pea, and occasionally much larger. The ore occurs also in pay streaks, parallel to the walls of the vein. Both these characteristics make it very easy to assort the pay ore from the low grade ore and barren quartz. The ore in the Sunrise is the most prominent exception to this rule, as the spongy quartz contains the silver-bearing minerals finely impregnated.

The ores of Panamint are of very high grade, as the following assays show :

	Per ton.
Pure fahlore from Stewart's Wonder.....	\$919.57
First-class ore from " "	215.19
Average of pay streak from incline of Stewart's Wonder.....	83.24
Selected first-class ore from Jacob's Wonder.....	348.11
Low grade ore from Jacob's Wonder.....	12.56
Rich ore from croppings of Wyoming.....	609.17
Average of pay streak from Little Chief.....	84.82
Ore with blende and galena from Little Chief.....	59.69
Ore from pay streak from Hemlock.....	197.91
Ore from pay streak from Harrison.....	152.33
Average pay streak from upper cut of Hudson River.....	80.10

It may be safe to estimate the value of ore from the pay streaks of these mines to be from \$75 to \$100 per ton. But much higher grades could be selected should this be desirable.

DISTRIBUTION OF THE PRECIOUS METAL WITHIN THE MINERAL BELT.

In reviewing these assays, and estimating the percentage of fahlore contained in the different samples, I come to the conclusion that the mineral belt carries much richer fahlore to the south than to the north. Indeed, the ore found in Narboe Canyon, north of Surprise Canyon, becomes more base, showing more lead minerals, and a fahlore richer in copper but poorer in silver.

In connection with the above-stated facts, I have also to remark, that the slate seems to have considerable influence upon the distribution of the ore in the veins. All the extensive ore chimneys are found in the limestone, and wherever a vein runs deep into the slate, the croppings soon become barren. There are some veins cropping in the slate alone, which show no trace of ore.

The croppings of the veins show ore chimneys of great extent, measuring on the prominent veins from 300 to 600 feet in length. From observations made in the gulches which intersect the veins, I am led to believe that the dip of these ore chimneys will be East of North. Another reason which confirms this opinion is, that the limestone dips in that direction.

It is to be regretted that so little has been

done in regard to the development of the mines in depth. And it is to be regretted still more, that the most important developments show nothing favorable, and this has evidently deterred the prospectors from continuing their explorations. It is my opinion that these explorations have in some cases been started at the wrong place, in others on inferior mines, and in others with lack of judgment.

In considering the magnificent geological formation of Surprise Canyon, the regularity of the grand system of parallel veins, the uniform character of the silver-bearing mineral in this system, the extensive ore chimneys exposed on the surface, the presence of an eruptive rock—which is highly favorable to the formation of mineral deposits—in close proximity to the mineral belt, I feel confident that these veins will continue in depth, and also that the ore will continue in depth, and very likely of similar richness to that found at the surface. This judgment may appear somewhat bold, but I cannot arrive at any other conclusion after a full consideration of all the facts which observation, experience, and science bring before me. * * *

From the topographical description of Surprise Canyon, it will be evident that a splendid opportunity is offered to open the mines by tunnels. Apart from other advantages, this would save the expense of constructing expensive tramways and roads for the conveyance of the ore and supplies.

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In conclusion I will remark that it is rarely the good fortune of a mining engineer to form so favorable a judgment of an entirely undeveloped district as I feel justified in expressing in regard to the mines of Panamint District.

The Bright Star and Big Blue.

R. W. Raymond, in an editorial correspondence from Kern County, to the *Engineering and Mining Journal*, speaks of the Bright Star and Big Blue mines of that county as follows:

“One of the best mines now actively worked in the county is the Bright Star, at Piute, about eighteen miles from Havilah. It is owned by the Bahten Brothers, who have extracted from it, during the year ending June 30, 1874, some \$110,000. The vein is said to be narrow but rich, carrying quartz, stained with copper and heavily charged with arsenical pyrites. It courses N. N. E. and S. S. W., and dips S. about 85° in a country-rock of slate. The quartz yields in the mill, by battery amalgamation, from \$15 to \$75 per ton. The mine is opened to the depth of 300 feet, and employs 30 men at wages of \$100 per month. The mill contains 10 stamps of 750 pounds each, and is not believed to effect a complete extraction. The arsenical pyrites, assaying up to \$700 per ton, are partially caught and concentrated by two Hendy concentrators, after which they are roasted and amalgamated—with what metallurgical success I did not learn. It is too cold in this district to wash blankets, the altitude being 9,000 feet, or 2,000 feet above Havilah. I believe the same cause hinders the steady working of the mines; though with a mine as far advanced underground as the Bright Star, and with proper foresight and outlay in the accumulation of supplies, the climate will not cause serious interruption.

About eighteen miles beyond Havilah, on the main road, is the town of Kernville, once known to pioneers as Whiskey Flat. It is picturesquely situated by the rushing stream of Kern River, in the banks and bars of which, and along numerous small mountain gulches tributary to it, placer mining was rife and profitable in that period, a score of years ago, fondly called “early times” by the fast-living population of the Pacific Coast. Only a few diggings, on a small scale, remain to bear witness to the golden traditions of the past. The present hope of Whiskey Flat—I beg pardon, Kernville—lies in quartz, and particularly in a mammoth vein, known as the Sumner or Big Blue. It was this which the small boy and I had come so far to see, and we were both well paid for our trouble, for I paid him, and the sight of the Big Blue paid me.

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This vein has been traced for some two miles in the hills on the north side of Kern River; and after much negotiation and some litigation the ownership of 11,300 feet of claims upon it is now vested beyond dispute in the Sumner Company, the principal stockholders of which are Senator J. P. Jones, and Messrs. Burke and Strong. The two latter reside at the mine. Mr. Jones, it need scarcely be remarked, resides at Washington, where he has produced a lively sensation by proving, to the apparent surprise of the quidnuncs, (though why it should surprise them I do not perceive) that a man may be very rich and yet very acute, well-informed and sensible. As for the wealth, it is no secret that the Crown Point mine on the Comstock, in which the Senator is a large owner, has furnished a good deal of that; and it must be said of him that the means which the mineral wealth of the West has so liberally bestowed upon him he has employed with equal liberality in mining investments. One hears of his purchases and operations in mines from many quarters, and certainly he has got "a good thing" in the Big Blue.

The patents of the Sumner Company cover on this vein the following claims:

	Feet.
Beyond the north extension of the Sumner.....	3,000
The north extension of the Sumner.....	1,200
The Sumner.....	1,200
From the Sumner to the Big Blue.....	1,800
The Big Blue.....	2,600
The Nelly Dent.....	1,500
Giving a total of.....	11,300

These figures are not taken from the patents themselves, but I believe they are correct. The company owns in addition six small cross-veins or feeders, which have been worked to some extent by former possessors, and found very rich.

The value of the main lode lies in its great size, and the vast amount of good milling rock which it can furnish. The principal mine upon it at present is the Sumner. In this mine, I found the lode underground to be 84 feet between walls. The hanging-wall is granite; the foot-wall is slate, between which and the vein lies a zone of clay, 15 feet in thickness. Of the

84 feet of quartz, 42 feet, in two zones or pay-streaks of 35 feet and 7 feet respectively, consists of pay-rock. The narrower zone is the richer; but the average yield of the whole material in the two is about \$18. At the other end of the vein, on the extension known as the Nelly Dent, the vein is 200 feet wide between walls, but carries wholly low-grade ore, yielding, say, up to \$10 or \$12 per ton.

The Sumner is opened by an adit and cross-cuts, 146 feet below the highest surface-croppings. Two shafts are being continued below the tunnel to open a new level below. The richest ore in the upper level has been removed, so far as the ground is open; but a large amount of lower grade is still standing, and there are some 15,000 tons of third-class ore (\$12 to \$15 per ton) lying on the stulls in the mine. This can be treated with profit when the new mill is completed, as will be seen by estimates given below. * * * *

Mr. Charles Strong, (famous as the manager of the Gould and Curry mine on the Comstock lode, in its days of glory) one of the resident owners of this property, calculates from the data acquired by actual experience here, that \$3 per ton will cover all the expenses of mining, hauling and milling in the new mill. The paper estimate, without allowance for unforeseen expenses, brings the cost as low as \$2.50 per ton. This is surprising, but neither incredible nor unprecedented. It must be remembered that the cost of mining is very small in a vein so enormous and at depths so trifling, while the treatment of the quartz in a mill run by water, provided with every labor-saving improvement, and expressly intended to work on the large scale, would naturally be unusually cheap. Similar results have been obtained in Australia; and low as Mr. Strong's estimate appears to be, I see no ground for doubting it. Of course it does not include interest on capital or general expenses; but, on the other hand, these items will be much smaller *per ton of ore treated* in a mill crushing at least 100 tons per day than in a smaller establishment. In a word, the Sumner Company is making the most of every natural advantage offered

by the property itself, and adding the very great advantage of operating on a large scale, with adequate means. * * *

American Mining.

There can be no doubt that American mines are, if a few exceptions be made, regarded with general suspicion in this country. The causes have been the disasters of some gigantic enterprises which were floated here, and whose failures have been the cause of a widespread ruin. The names are too familiar to require being recapitulated. Our object is not to revert to a disagreeable subject, but rather to show that the feeling we have noticed as existing here is as strong on the other side of the Atlantic. The causes have been the same in both instances. In an article entitled "*Mining as a Legitimate Enterprise*," the *Mining and Scientific Press*, of San Francisco, expresses itself as follows: "There is no question about the value of our mines, or of the fact that vast riches lie scattered all about our mountains, waiting for the hand of industry and skill to come and gather them up. Hence mining may and should be made profitable; and it might be made as profitable and reliable as most other industries, if only properly managed and with as much regard to economy as is practised in other callings. Mining is not only important in itself, but it vitalises and stimulates every other business. Yet, practically, our merchants, manufacturers, farmers and capitalists reject it, or are unwilling to embark therein." We have here the explanation at once of the reasons which have brought mining as an industry into disrepute, and forced Americans possessed of property of the kind to seek abroad for the capital requisite for its development. The same paper further states that another cause which has had a most depressing effect on mining enterprise is the fact that, since the partial exhaustion of surface mining, the business has fallen in a great measure into the hands of speculators and sharpers, who look rather for their gains to victimizing the unwary than to the legitimate profits of working. As a conse-

quence, enterprises of real worth are managed with a recklessness and extravagance which could not fail in the long run to bring them to ruin. Success or good dividends to shareholders are, under such circumstances, looked upon as mere secondary considerations. Immediate profit to those in charge is the object kept steadily in view. The whole system naturally leads to this result. In the event of the original promoters remaining connected with the concern it often happens that its failure is a source of immediate gain. Where the mine is good this is particularly the case. It then reverts to the original promoters, who, besides having sold the property for a large sum in ready money, usually take care to retain in some other form such an interest as enables them to seize it in default of payment. The property is thus re-acquired with all the developments which have been made upon it, at heavy costs, by the company.

We have instances of failure attributed to the high price of labor or the worthlessness of a mine, which are, in fact, due to bad management alone. Too extensive, too expensive, or ill-adapted machinery; too heavy costs of corporate management; too much expenditure, or ill-advised experiments; a system of unintelligent practical mining, by which a great loss of the metals has been occasioned—these are often the patent causes of disaster well known to those on the spot. It is almost impossible, however, for shareholders at a distance to learn the truth, or to control the action of their representatives. The difficulty of accomplishing the latter effectively, even in this country, is well known to all who have taken any interest in British mining. The impossibility of doing so where weeks elapse before news can be received or orders conveyed must be self-evident. The different conditions, not only of labor, but of all the natural relations of climate and of the surface, as well as of the geological conformation of the soil, make it often impossible for British miners to discover the faults in system which mark the operations. Should they do so, it is scarcely to be expected that they will be able, until after considerable experience, to point out

they have only partially prospected the wealth hidden in the mountains.

Gradually, as the cost of labor and living has become reduced, the lower grades of ore have entered the market, and numberless mines carrying ore of this character, discarded in the past as worthless, are being reopened. Many of these mines carry a high percentage of lead, and up to within the last three years the presence of this metal has not only been considered of no advantage, but as a positive detriment. As long as the only available method of treatment was by chlorination this objection held good, and hundreds of thousands of dollars' worth of this base metal has been carried down the creek. This waste has, however, to a great extent, been done away with by the entrance of smelters as ore buyers. It is becoming evident that in the future we will not have to depend upon our high-grade ores, and that one of our surest bases of prosperity will be the numerous veins carrying low-grade mineral comparatively poor in silver, but carrying a high percentage of lead. The benefit which we will derive from these will not be entirely due to their greater number, nor to the fact that they are generally larger and more steady veins, but that they will establish in our midst other branches of business. Most of these mines carry ore which will not bear transportation to a distant market, though it will pay a handsome profit to works erected in the immediate vicinity, capable of treating such ore. It is therefore only a question of time concerning the establishing of such works, and when in operation the extent of business which will be carried on by them can only be estimated by those familiar with the immense amount of low-grade ore in this district. There are mines almost within the corporate limits of Georgetown which would pay handsomely if worked by the most primitive of the methods of smelting, the silver more than paying the cost of the operation, the lead contained being clear gain. Furthermore, the erection of such works will be no experiment, for the problem of utilizing low-grade ores by smelting has been successfully solved in the neigh-

boring county of Summit, where the works are further from market. Messrs. Spears & Conant, from their two furnaces near Breckenridge, are turning out two and one-half tons of lead bullion every twenty-four hours, and making a good profit, this, too, from ore carrying less than fifty ounces of silver per ton, but a high percentage of lead. The objection may be raised here that the majority of the veins in this camp do not carry smelting ore, which is true, yet it has been proved that by making a mixed charge of heavy galena, poor in silver and non-smelting ores rich in silver, this treatment can be profitably used in this section. The cost of plant for works for the production of lead bullion is small, the running expenses light and the method is among the simplest of metallurgical processes. Below Georgetown the majority of the veins opened at present carry low-grade ore, particularly those in the vicinity of Mill City. All these are certain to enter the market at no distant day, which will be when capitalists are willing to look upon mining more as a steady-paying investment and less as a gambling venture.

Hydraulic Mining.

Perhaps no class of mining is so little understood by the general public as hydraulic mining. They have a general idea that a big stream of water is turned against a bank of earth, and that by some peculiar process this stream breaks down the bank, picks out the gold and carries off the debris. The details of the operation are little understood even by quartz miners. The method of arranging and working the pipe, sluices, undercurrents, etc., has never been described except in general terms. This class of mining is very interesting in its details, and although many miners of course understand it thoroughly, few have ever taken the trouble to write down the facts gained by experience for the benefit of others. Data or the subject of heavy heads of water under high pressures, large pipe, etc., cannot be conveniently reached for this reason; none of the engineers' books treat of the subject to suit our necessities. We use water in our hydraulic mines in such quantities and under such circumstances that a special treatise on the subject is needed by every hydraulic miner. * * * * *

—Scientific Press.

Profits of Drift Mining.

One of the peculiar and interesting features of the mining interest of Sierra County is its "drift claims." This class of mines consists of locations in the ancient river beds covered by the great volcanic outpouring which succeeded the pliocene period. The system of work pursued is by means of tunnels, generally run through the side of "rim rock," at sufficient depth to tap the channel. The main tunnel is carried on "up stream," and "gangways" are run toward either bank, the gravel being run out by cars and washed by sluice boxes, and the worked out ground being allowed to cave and fill up as the main tunnel, which is securely protected by timbers, progresses. The depth of gravel which it is found will pay by this system is from three to five feet, including from three to six inches of bedrock, which is picked down and washed with the gravel. The lower stratum, including the bedrock, is invariably the richest. This branch of mining, formerly pursued with great success in various portions of Sierra County, had of late years fallen into decadence, until it was revived in 1872 and 1873 by the remarkable results following the opening of the Bald Mountain claim, at Forest City. Prior to the development of this mine, in 1872, Forest City, once a lively and prosperous town, had degenerated into an almost abandoned mining camp. Houses and lots were to be had for the payment of taxes, and in one instance a well furnished house sold for \$75. The results of the first clean-up of the Bald Mountain claim, however, changed, for a time at least, the destinies of the town, and now it has resumed all its former prosperity and given a strong impetus to surrounding camps.

Mr. W. A. Skidmore, deputy for R. W. Raymond, U. S. Commissioner of Mining Statistics, has recently visited Sierra County and prepared a very elaborate statement for the next annual report of the Mining Commissioner. He has given us the liberty of making extracts from this, which we take pleasure in publishing. At Forest City the principal claim up to the period of the de-

velopment of the "Bald Mountain" company's ground, was the "Live Yankee." The "Live Yankee" owns 2,600 feet in length on the channel, most of which is now worked out. This ground yielded, during the nine years in which active mining was carried on (from 1855 to 1863 inclusive) the sum of \$698,534, of which \$370,106 was expended in opening up the claim, etc., and the dividends disbursed were \$328,368. For several years thereafter and until the ultimate exhaustion of the company's ground, the dividends averaged \$10,000 per annum. For a period of seven consecutive years after the opening of the mine, and preceding the symptoms of exhaustion, the dividends averaged \$49,191 per annum. The total product of the ground may be safely estimated, from the date of opening the mine to the suspension of operations, at not less than \$1,000,000, of which probably one-half was disbursed as dividends; and this was during a period of high-priced labor, and in the pioneer days of drift mining.

About the time of the decline of prosperity of the Live Yankee (1867-68) Mr. M. Redding, a practical miner of Forest City, who had worked in the Live Yankee, observing an easterly trend of channel in that ground, formed the opinion that the main channel of the "Blue Lead" diverged from its N. and S. course and passed in a N. E. direction toward and under a high mountain capped with basaltic lava, lying east of Forest Hill. Acting on this theory he acquired, by location and purchase, the present ground of the Bald Mountain company. Finally, being unsuccessful in getting capitalists to invest, after much perseverance and the display of remarkable tenacity of purpose, he succeeding in forming a company consisting of practical men whose only capital was their labor, and vigorous operations were commenced in the Fall of 1869. A shaft was sunk at a point considerably east of what was popularly considered the course of the blue lead. The blue colored pay stratum was reached at 260 feet in depth, and bed rock at 269 feet. By strange fatality the particular portion of the channel tapped by this shaft was in the

poorest ground in the mine, and some of the owners parted with their interest at a loss. Had the shaft been sunk ten feet in any direction from its position, it would infallably, as proven by subsequent developments, have struck gravel of remarkable richness. In fact, a 40-ounce nugget, found in the company's boxes in 1873, is supposed to have come from this portion of the ground.

Mr. Redding and his associates, however, were satisfied with the gravel, and determined on running a tunnel to connect with the shaft and open the ground. This tunnel was commenced in June, 1870, and prosecuted with periods of interruption to its completion in April, 1872, a period of twenty-two months. The distance was 1,800 feet. The work was accomplished by manual labor, single-hand drills and Giant Powder, and cost, including the prospect shaft, about \$20,000—being \$1,000 to each original interest. This represents the outlay of the company on their mining venture. No further assessments were levied, but something over \$200,000 in dividends have been disbursed between April, 1872, and January 1st, 1873. Mr. Skidmore has obtained a tabulated statement from the company, of the receipts and disbursements at the claim, from which we make some extracts. The total yield from July 1st, 1872, to July 1st, 1874, amounted to \$328,352.38. The dividends during the same time were \$164,000. From July 1st, 1872, they had extracted 115,950 carloads of gravel, which paid \$2.76 per carload, or \$1.09 per square foot. They worked altogether in this time 292,200 square feet. The per-centage of dividends to the gross amount taken out was 50 per cent. They estimate that there are 7,232,000 superficial feet contained in their claim, which, if it pays as it has done, \$1.09 per foot, will yield \$7,882,880. We may state here that the claim is not for sale.

The first clean-up, consisting of dirt taken from the tunnel, yielded only \$132. From this time the returns steadily increased, in July of the same year amounting to one thousand dollars. This gradually increased until with progressing development the present remarkable yield was reached, and attention

thereby called to this long neglected branch of mining. On April 25th, 1874, two years after the first modest return of \$132, the result of the clean-up was \$13,733.24, and one week after (May 1st), \$14,694.76. As will be seen by the foregoing statement, the total yield up to July 1st, 1874, was \$328,352.38. From July 1st to September 30th, 1874, there was taken out only \$16,726.84. This was owing to a scarcity of water—the dirt being allowed to accumulate in the yards. The actual bullion product, therefore, at the time of Mr. Skidmore's visit in October, 1874, had been \$345,079.22, from a piece of ground about 1,000 feet long by 500 wide, exclusive of the unworked ground within this area, and not including the value of the gravel piles in the company's yards.

The term "drifting," as applied to the class of operations pursued at this mine, relates to the mode of extracting the auriferous gravel by means of tunnels and gangways, or galleries; and washing dirt in sluices. This system is rendered necessary in consequence of the capping of volcanic matter overlying the ancient channels, and rendering hydraulic operations impossible. In hydraulic mining the entire face of the bank is removed by the pipe; in drifting claims only the lower stratum of gravel, lying on the bed rock, is mined and washed. The average depth of pay gravel, when mined in this manner, is about three feet.

The gravel in this channel is exceptionally rich. Mr. Skidmore informs us that the Bald Mountain claim is one of the best managed gravel claims in the State, being a model in this respect. The Superintendent is Mr. H. Wallis, an intelligent, practical miner. The pay roll of the Bald Mountain company generally contains from 90 to 100 names. Of these 85 are miners, receiving \$3 per day. Thirty cars are employed in running out the gravel, which is dumped in the yard, at the mouth of the tunnel, and thence into the flume. This flume is 6,600 feet long, seventeen inches wide, and eighteen inches high, paved with blocks 16x16, and four inches thick. The gold, being as a general thing coarse, settles in the interstices of the blocks. No quick-

silver is used in this class of mining. The usual head of water of the company is from 100 to 150 inches. The flume is cleaned up in sections, about twice a month, and a general clean up is made twice a year, when the worn out blocks are turned over or replaced. A set of blocks will last about ten months; but during this time they are turned over. The company own one mile of the bed of Oregon Creek, below the end of the flume. The flume is built on a grade of six inches to twelve feet, equivalent to a fall of 225 feet for the entire distance of a mile and a quarter. The main tunnel is six feet three inches on the bottom by three feet eight inches on top and six feet in height. The cars are four and a half feet long, two feet wide, and two and a half feet high, containing one cubic yard of loose dirt, which is equal to about half a yard of ground in place. Therefore, the result of \$2.76 per car load by this company, from April, 1872, to July, 1874, would be equivalent to \$5.52 per cubic yard of standing ground.

In the same vicinity of this claim, Messrs. Hanley, Crane & Co., are running a bed-rock tunnel, using a Burleigh drill and air compressor. North of Bald Mountain the ruby company, a San Francisco company, Captain William Irelan, Superintendent, are engaged in mining a bed-rock tunnel also.—*Mining and Scientific Press.*

Discovery of Rich Gold Quartz.

The following is an extract from the *Bulletin's* correspondence from Sitka:

About October 3d, two residents of this place, Haly and Francis, went to Haly's mining claim, a few miles from Sitka. On their return they discovered a new ledge which looked rather promising. They brought up specimens of this ledge to town and gave them to Mr. Berry, one of our Custom House officials. He tested the rock and found six (6) pounds of it to contain somewhat more than thirty dollars (\$30) of gold. There was shown to me a pan-full of specimens, and every piece contained pure gold, visible in flakes from the value of

twenty-five cents upward. This news caused considerable excitement in town, and the discoverers have returned to the place to take up claims and more thoroughly prospect the region thereabouts. They intend to remain out some two or three weeks. I wanted to get some of these specimens to send below, but did not succeed in doing so. According to the test, a ton of this ore would yield \$11,220. But if the ore will only average the one-tenth of this, the finders may be said to have struck it rich, as wood is abundant and near, and anyone who ever was in Sitka knows that water is nowise a scarce commodity. In my next I may know more about this mine.

Sunday, October 4th, the trading-schooner *Nellie Heath* arrived in port from a trading voyage up north. It belongs to W. Phillipson, a storekeeper in town, who is also our Postmaster and official interpreter. The schooner is loaded with seal-oil, skins and furs.

THE STIKEN MINES—DESTITUTE MINERS.

On the same day arrived the British steamer *Otter*, from Victoria, via Wrangel. The Captain reported that at Wrangel were some three hundred miners from the Stikkeen Mines, out of provisions, with none to be bought at Wrangel, and all anxious for an opportunity to leave the place. The *Otter* had provisions on board and also wanted to take down these miners. But the only Custom House official there, a certain Carr, had previously been detected in malpractices and having false entries in his books, and Lieutenant Aver saw cause to arrest this man. The Captain of the *Otter*, therefore, could land nothing at Wrangel, no one being there to give him the permit. Thus he had to come with his steamer to Sitka, where he procured the necessary documents and then return to Wrangel the next morning.

—The daily yield of the Crown Point mine is 550 tons of ore. The ore breasts are looking finely throughout the entire mine. The face of the main south drift on the 1,500-foot level is still in rich ore.

FINANCE AND TRADE.

American Securities in England.

The *London Investors' Manual*, which every month gives a statement of the amounts payable at London on account of subscriptions to new securities, shows a very significant absence of payments on account of American issues. Out of a total of nearly \$30,000,000 called up in September on account of new loans, the United States figure for only \$3,500,000, of which about 2,500,000 is taken by the Philadelphia and Reading Railroad, and the remainder by the Northern Central and the Iowa Pacific. The list of calls for October, as made up on the 25th of September, and nearly complete, does not include a single amount called on account of any American Investment. Considering that these statements have been wont to report from five to ten millions per month of capital called up, in connection with subscriptions to American securities, this fact is very significant. In the first place, it is a striking evidence of either the absence of American applications for loans on the London Market, or the indisposition of British investors, for the time being, to employ their capital in the United States. Probably both causes contribute; for while it is certain that there are now but few of our corporations seeking loans abroad, and that some of them have found it easy to borrow at home, it is equally sure that the collapse in new railroad investments caused by the panic of last year has caused among English investors an extreme caution respecting American corporate securities.

The disappearance of this resource for the drawing of sterling bills to a very large

amount—probably equal to \$100,000,000 per annum—has a very direct bearing upon our exchanges, and must be regarded as having much to do with the present firmness in foreign bills, and at a time when the exports of new cotton always cause rates to decline. Nearly the whole of our yearly borrowings in Europe are required to pay the interest on our obligations held there, or to liquidate the principal of such as may be maturing; and so far as our receipts from this source may decline from the usual amount, we shall be called upon to increase our exports of products or of specie beyond their usual ratio to our imports. How the trade movement has run during late months, we can estimate only approximately. The Government returns only reach up to the close of July, from which it appears that for the seven months ending July 31st the imports of the entire United States were \$359,000,000 and the exports \$389,000,000, the figures in each case representing gold values and being inclusive of the specie movement. Thus we find that, for the first half of the current year, the exports exceeded the imports by \$30,000,000. What the movement has been since the end of July we can only judge in a general way from the returns for our own port. We find that, since the beginning of August, the imports at New York have been \$6,500,000 less than for the same time last year; while the exports of produce and specie combined are also \$6,500,000 below last year; so that since July, the movement at this port does not indicate the gain of exports on imports that characterized the trade of the first seven months of the year.

But while the foreign subscriptions to our securities have fallen off so strikingly during

late months, previously to that time they were nearly up to the former average amount. The following statement shows the amounts called up in London, on American loans (exclusive of federal) each month since last January, including also the same called on such of our loans as were taken on the continent conjointly with London, the figures being compiled from the London *Investors' Manual*, a most careful authority:

1874.

February.....	£966,000
March.....	1,995,000
April.....	2,690,000
May.....	2,181,000
June.....	1,431,000
July.....	2,168,000
August.....	1,546,000
September.....	742,000
October.....	None.

Total nine months.....£13,719,000

Average per month.....\$7,408,000

Rate per annum.....88,896,000

Thus it appears that the average instalments on account of loans, for the nine months (including the deficient ones of September and October) has been about \$7,400,000 per month, or at the rate of nearly \$90,000,000 per annum. It is not impossible, moreover, that October may not prove so deficient as it appears from this return, which was made up upon such negotiations as had been completed at the end of the third week of September. An important loan has been effected on behalf of the city of Cincinnati; and there appears to be little doubt that the Erie Company will consummate negotiations for some millions; a portion of both of which loans may become available for drawing against during this and succeeding months. Upon the whole, therefore, while the exchanges need to be watched on these accounts, yet it is by no means impossible that a larger amount of finance bills may be forthcoming than we have at present any certain reason to expect.

—Since our last issue there has been quite an upheaval in the stock market in this city. Nearly every description of Comstock stocks have largely advanced. The "fall rise" has evidently set in, and those who get out first will be the best off.

The Money Market in London.

The *Monetary and Mining Gazette*, of London, of date Oct. 17th, says: "Although the demand for money for commercial purposes has been of a most limited character, the market has been firm during the past week. In consequence of the considerable withdrawals of gold for Egypt coupled with the expectation of further exports to that quarter, rates in the Open Market previous to Thursday were close up to the Bank rate, and in many instances bills were not negotiated, unless subject to such alteration as the directors might see fit to make at their weekly court. Since the advance to 4 per cent., which then took place, there has been rather an increased inquiry, owing to bills which were held back in case any alteration was made being now brought forward. The demand, however, has been in no degree adequate to the amount of capital which has been seeking employment, and the rates in the Open Market are already $\frac{1}{4}$ per cent. below the official minimum, two and three months' bills being readily negotiated at $3\frac{1}{4}$ and $3\frac{3}{8}$ per cent., while six months' Bank paper is freely absorbed at the Bank minimum. Short money has been exceedingly abundant, and although the Stock Exchange settlement caused a somewhat increased inquiry for it in the early part of the week, advances from day to day on Consols were easily obtained at $1\frac{1}{2}$ per cent., but are now rather firmer at $2\frac{1}{2}$ per cent., in consequence of the advance in the Bank rate.

The Bank directors decided on Thursday to advance their official minimum from 3 per cent., at which it was placed on the 27th August, to 4 per cent. The weekly return fully justifies the course taken, as, by the usual Autumn demand for sovereigns, and the recent export of gold to Egypt, the reserve has been reduced to the very low point of £9,400,000, especially when the time of year is taken into consideration, when the demand for sovereigns by the Scotch and Irish banks will materially reduce the strength of the establishment during the next few weeks. In some quarters it is even thought likely that a further advance as a

protective movement will be found necessary, more especially when it is taken in consideration that there is little prospect of any further supplies of gold reaching this country at present; the American exchange has also taken a very unfavorable turn during the past week. On the other hand, the advance made on Thursday has had the immediate effect of checking the inquiry for gold for Paris, and also establishing a better equilibrium between this Money Market and those of the various continental cities, and with the present stagnation of trade it is probable that the present position will be found sufficiently strong without resorting to more extreme measures."

—The *Merchant and Banker*, of New York, says that while their manufacturers are complaining of dull times and over production, the woolen mills of San Francisco are running up to their full capacity, manufacturing goods, it is said, that will bear comparison, in like grades, with the best in the Union. There is also said to be a steady and increasing demand for every article

turned out. It has been decided by the managers of the woolen mill recently destroyed by fire at Sacramento, to rebuild on a larger scale, and to introduce the most improved machinery. The woolen mill at Marysville has been so successful that the stockholders have called a meeting to consider the question of increasing their capital stock. Although the mill has been working full power, and running extra time most of the season, it has been unable to fill orders as fast as they come to hand. Good reports also come from the woolen mill at Los Angeles, while at several other points in the State efforts are being made for the erection of new mills. These are encouraging signs.

—The Hibernia Savings Bank, of Portland, Oregon, a new institution of which we made previous mention, is said to be doing a good business. Its line of deposits have exceeded in amount the brightest anticipations of its projectors, and it has a constant demand for all the money it can loan on good security and at good rates of interest.

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INSURANCE.

General Shaler and Chicago.

Among the many recommendations of Mr. Shaler to the Board of Police and Fire Commissioners of Chicago, are the following in reference to the organization of the Fire Department:

To the Board of Police and Fire Commissioners:

GENTLEMEN:—Your attention is respectfully invited to-day to a plan of organization for the Fire Department, and to an examination of the accompanying map, which is prepared to show the boundaries of the battalion and company districts as suggested in my communication dated Nov. 30. I assume that no arguments are needed to sustain a recommendation for a thorough and complete organization in all its details of a force maintained to suppress conflagrations. A Fire Department in its entirety embraces, or should embrace, much more than the body of officers and men, than the materials furnished them to extinguish fires. A complete Fire Department should have within it

First. A corps, organized, uniformed, of-

ficeed, and thoroughly 'equipped with the most approved implements, charged with the duty of preventing and extinguishing fires, and of protecting property from water used at fires.

Second. A bureau charged with the investigation of the origin and cause of fires, and the execution of all laws and ordinances relating to incendiaries, and to the storage, sale, and use of combustible materials.

Third. A bureau charged with the execution of all laws and ordinances relating to the construction and alterations of buildings.

Fourth. A bureau charged with the management of a fire-alarm telegraph.

Fifth. A bureau charged with the repairs to apparatus and the custody and distribution of supplies.

The chief of the uniformed corps and the head of each bureau should report direct, and only to the Board of Commissioners (the head of the department) who alone are responsible for the proper conduct of the whole department, and they should have no duties imposed upon them except those pertaining to their particular bureaus. In this

city the uniformed corps may be known as the "Fire Brigade of Chicago," under the command of the Chief Fire Marshal, as "Chief of Brigade," and subdivided into six battalions, each under the command of an Assistant Fire-Marshal as "Chief of Battalion."

The first battalion will comprise the companies quartered in the South Division, between the river and Fourteenth street.

The Second Battalion, all the companies in the North Division.

The Third, Fourth, Fifth Battalions, the companies in the West Division.

The Sixth Battalion, the companies in the South Division, south of Fourteenth Street, all as shown on the map.

Each company has assigned it a given extent of territory known as company district, porportioned in size to its proximity to the quarters of adjoining companies, the boundaries of which are indicated on the map by green lines. The districts of the companies forming a battalion, constitute a battalion district, indicated by blue lines drawn between them.

The adoption of battalion and company districts is for protective purposes, and will be found of great importance in carrying out orders relating to the prevention of fires.

Company commanders should be required to have positive knowledge of the character and size of every building of importance within their districts, and be familiar with all the means of ingress and egress, front and rear. They should know the location and condition of fire-hydrants, and telegraph-alarm boxes, and the condition at all times of the street pavement, beyond the limits of their respective districts. They should be held responsible for the safe keeping and good condition of all Fire Department materials and other public property located within their districts, and used for fire extinguishment.

Within the limits prescribed, each company becomes a corps of inspectors, and its members report, through their captains, all violations of laws and ordinances, for the action of the Bureau of Combustibles and the Bureau of Buildings.

The Chief of the Brigade is responsible for the good order and efficiency of the whole corps. He must see that all the apparatus and implements are kept in good repair; that such rules and orders are enforced as to prevent unnecessary waste or destruction of the apparatus, implements and materials furnished; that the officers are well instructed in their duties, and are prompt in the discharge of them; that all public property in use by his officers and men is rigidly accounted for; and that his command is at all times on the alert, and ready for instant service.

The Chiefs of Battalions exercise a general supervision over companies of their commands; are responsible for the efficiency of the companies, and the discipline and instruction of their company officers; they receive their orders from, and report direct to the Chief of Brigade.

Captains of Companies hold a very important position; they are the instructors of the men, the enforcers of discipline, the promoters of good order, the cultivators of a corps' pride, the custodians of public property, and the guardians of private property; upon their intelligence and zeal depends the efficiency of their companies; upon their loyalty to the service and their correct deportment in public depends the reputation of the whole corps. They report to the Chiefs of Battalions. The lieutenant, engineers and privates are responsible directly to the Captains.

I use the titles of Captain and Lieutenant, as being much more proper in a semi-military organization (which every uniformed corps in the Fire Department are). The title of Foreman and Assistant Foreman serve very well for overseers in factories and gang of mechanics and laborers, but have no appropriateness whatever in organized bodies of uniformed men.

Authority and responsibility in the Fire Brigade are never divided. Some one officer has command and is responsible. The rank of officers of all grades is established. The Chief of Brigade has supreme command over the officers and members of his corps. In his absence the senior Chief

of Battalion on duty assumes command.

Chiefs of battalions and companies perform fire duty at alarm stations as ordered from brigade headquarters, without reference to their particular districts. The officer of the highest grade, or of the highest rank of the same grade present assumes command.

The "Incendiary and Combustible Bureau" should be under the charge of an official clothed by law or ordinances with full power to investigate the origin of fires, prosecute incendiaries, and suppress and regulate the traffic in combustibles. He should also report direct to the Board of Commissioners (the head of the Department), in whose name he performs all of his official acts.

The "Building Bureau" should be under the charge of an official, who should be an architect or practical builder, clothed by laws or ordinances with full power to pass upon the correctness of all plans and specifications for the erection of new buildings, and the alterations to old ones, and of preventing the construction or alterations of any building not in accordance with such laws or ordinances. The services now performed by the Fire Wardens are nearly identical with those of this bureau; but they should be enlarged and systematized, and performed under more stringent laws and ordinances. The prosecutions by this official for violations of the law should be in the name of the Board of Commissioners, to whom he reports.

The "Telegraph Bureau" should be under the charge of a competent electrician, whose duty it should be to supervise and direct the services of all employees in his bureau, see that the instruments and lines of the fire alarm telegraph are constantly kept in the most perfect order, that supplies for the maintenance of the batteries are always on hand, and to promptly report to the Board of Commissioners any deficiency in the system, and suggest remedies. His lines should be independent of all other telegraph lines and connections, and he should be held by the Board of Commissioners rigidly responsible for their exact working at all times.

The "Bureau of Repairs and Supplies" should be under the charge of an official who should be a practical business man. He should have the care of the repair shops; should supervise the repairs to apparatus and buildings used by the department, and have the custody and distribution of supplies of all kinds; be held responsible therefor, and make regular returns thereof. Issues of supplies to the Fire Brigade and to the bureaus of the department should be made only upon formal requisitions approved by the Board of Commissioners, or some member of the Board authorized to act; and such requisitions should accompany, as vouchers, the regular returns of the chief of this bureau.

Such an organization for the whole Fire Department cannot be put into practice except the laws and ordinances are prepared somewhat with reference to it. But, so far as it is practicable, I recommend its adoption, and that an effort be made to secure from legislative authorities the power necessary to give it effectiveness in all its parts.

That part of it relating to the Fire Brigade involves no expenditure of money, and may be inaugurated without further legislation. It is equally applicable to large and small bodies, and no delay, therefore, need be made in its adoption on account of a lack of means to organize and equip new companies. Under its workings, the instruction of officers and men may be prosecuted, the degree of responsibility fixed, and the discipline and efficiency of the few companies now in the service improved.

There are many minor details connected with the successful working of a fire department which can only be settled by experience and observation; but the groundwork of an organization which has so far proved most successful in keeping down losses by fires in large cities, modified and improved as seems best adapted to the wants of Chicago, is now before you.

In closing this communication, permit me to suggest that any and all orders and instructions issued to the Fire Brigade, or any bureau of the Fire Department, be hereafter printed and issued in regular series, to be

kept on file at the office of the Board of Commissioners, the offices of the heads of bureaus, the headquarters of the Fire Brigade and of the battalions, and in company quarters, and at the end of each year, bound, for future reference. Such files will in years to come be valuable and interesting records.

I have the honor to be, gentlemen,

Very respectfully, your ob't servant,

ALEXANDER SHALER,

Consulting Engineer, etc.

Upon the reception and acceptance of the Report, the following resolution was unanimously adopted by the National Board :

Resolved, That in view of the report of the Committee appointed to visit Chicago, and of the improvements already made, of those now in progress, and of the assurances given said Committee by the authorities of Chicago, that the recommendations of General Shaler, in regard to the Fire Department, will be carried out at the earliest practicable date, the Companies belonging to the National Board be advised that the question of re-opening business at Chicago is referred to the several Companies, to take such action as they may individually deem wise and prudent in view of the information presented by the report of said Committee.

It is not known how many of the companies will return, but we think it would be safe to state that *all* that withdrew will be doing business before the first of Feb., 1875.

The Theory of Combustion.

(From the *American Exchange and Review*.)

Bodies capable of uniting chemically, combine with each other with various degrees of rapidity. In some cases they unite gently with each other, and, except in the very marked differences in the properties of the resulting compounds, nothing takes place to show us the change. In striking contrast to this quiet, insensible combination, are the cases of those bodies whose affinities or attractions for each other are so great that, when they approach under favorable circumstances, they rush into combination so violently that intense heat and light are the result, and in many instances there is, at the same time, such a rapid evolution of gaseous products, or such a change in the

density of the air, that an in-rushing or an out-rushing of the air occurs, and what is technically termed an explosion takes place. Between quiet, insensible combination, and that which occurs with explosive violence, there exists every intermediate grade.

The commonest kind of chemical combination is that which is witnessed in every case of combustion or ordinary burning. In that of the coal fire, it is the carbon of the fuel, and the oxygen of the air which enters the fire at the grate bars, that produce that clashing motion of the atoms, with the attendant evolution of light and heat. The recent developments of science enable us to ascertain rigorously the exact amount of each. A given quantity of heat will always result from the combustion of a given weight of coal; no matter whether the combination be one which occurs insensibly or explosively. But, in the first case, the evolved heat is spread over a considerable time, and in the latter is condensed into a very short time.

In the consideration of those cases of combination that result in the destruction of valuable material, it is interesting to know the causes that will tend to increase the chances of combination occurring with such rapidity as prevents the effectual stoppage of the process wherever in operation; that is, to prevent the extinguishment of a fire which has occurred.

Combustion being the union of the particles of one kind of matter with those of another kind, it is clear that any cause which would tend to prevent the particles from moving freely towards each other, would also tend to check the rapidity with which they would combine. Now, the force of cohesion is one which binds the particles together, and is therefore opposed to rapid combustion. Any cause, then, which tends to destroy this force by breaking the substance into small pieces, will necessarily cause it to burn more rapidly. For instance, iron is often taken as the very type of a non-combustible material, and yet when in the state of a powder no finer than that produced by ordinary filing, will burn more readily than moderately coarse-grained gunpowder. And one preparation of the sub-

stance—viz., that prepared by reduction of the oxide, by a current of hydrogen—known technically as iron per-hydrogen, can be lighted by a match, and will then burn like ordinary punk or tinder. It is the cohesion of the particles that, in the case of ordinary iron, prevents its rapid combination with the oxygen of the air; rusting being the only form of combination which takes place under these circumstances.

We may lay it down as a general principle, that any thing which produces a separation of a substance into small particles will increase the rapidity of its combination with bodies for which it has an attraction. An exception to this statement is to be made in the case of the fine shavings of ordinary wood. When so placed that they prevent any air entering from the sides—as, for example, when packed in a walled well—a lighted match may safely be thrown down on the heap, without any serious burning taking place. This can be easily tested. But, in general, the principle holds that comminution of the particles of any combustible substance increases the ease and rapidity with which it will burn.

Flour-dust in mills is simply the very small particles that escape from the various portions of the mill while the grain is undergoing the different processes that are necessary first to reduce it to small powder, and then to separate the matters of the husk, etc., from those of the kernel. The dust, then, will differ in parts of the mill, though, in the boxes, pretty much of the same material will accumulate. The dust will consist largely of the same materials as are found in the ordinary Graham flour—certainly a harmless and non-explosive material at ordinary degrees of comminution. It consists of various combinations of carbon, oxygen, and hydrogen, with a little lime, phosphorus, and alkaline materials. To this substance, however, should be added another, quite different from it in properties and composition. If a grain of ordinary wheat be examined with a moderately powerful magnifying glass, it will be noticed that the ends are covered with numerous hair-ground along with the wheat, no effort being

like appendages, having much the appearance of a fine wool. Formerly this was made to separate it from the grain. Some, no doubt, was taken out in the smut mill, and much came out in the various sievings to which the flour was subjected. Now, however, the best mills have machines constructed purposely for the separation of this fuzz, and, it is claimed, with advantageous effects on the quality of the flour. With the ordinary dust, which is composed mainly of the materials of the grain, there is added, by this new process, a large quantity of a wool-like substance in an extremely fine state of division.

Among the possible ways that flour-dust may add to the ease with which fires can originate in buildings we may mention the following: It is a well-known fact that woolen rags, when soaked in oil, and then thrown aside in a heap, will frequently undergo a slow oxidation, or combustion, by union with the oxygen of the air, which will eventually set fire to any combustible matter in the neighborhood. Now, it is possible, but not yet proved, that the wool-dust of flour mills, collecting around the hangers of pulleys, or near the oil cups, might undergo just such cases of spontaneous heating, with subsequent combustion, and thus ignite the mill. It would be well worth the attention of mill owners to have this question tested, viz., whether the flour-wool, when mixed with certain kinds of oil, has the property of spontaneous heating. Again, the friction of belts producing electricity, the large quantities of dust accumulating in crevices, or on joists near belts, might be ignited by electric sparks. In very warm, dry weather, such an occurrence might be possible, but not otherwise, since a large charge would be necessary, from the well known property that points have (and the dust particles are excellent points) of discharging electric surfaces.

Woody fibre, when placed in such circumstances as cause it to lose its water gradually, may at last become so very combustible as to take fire at temperatures very far below that necessary to ignite the undried fibre. Cases are numerous where exposed

timbers in flues, or wainscoating near registers, have taken fire merely by the contact of very hot air. Flour-dust is but a kind of vegetable or woody fibre, and, collecting near or in flues, gas-burners, or near steam pipes, might be so ignited. From this very fine state of division, we can readily conceive that the heat required to drive off its water would be less, and also that it might ignite at a lower temperature. Under these circumstances it might give off such gases as carbonic acid or carbonic oxide, and so approach that state of combination called explosive.

The whole question, it will be seen, is one in which there is room for considerable doubt, and needs more investigation than has yet been given to it; and further investigation might include the dust of other mills as well as those in which flour is exclusively prepared.

Values in Life Insurance.

Every policy of insurance on life has two kinds of value—a contingent value, and a “net cash value.” The former represents what, at some future time, the company will pay—the latter represents the present “net cash value” of the same policy, or the unexpended portion of what the assured *has* paid. While the assured is living, the “net value” is all put into the policy by the payment of money, as premiums upon it. The Legislatures of the States intend to compel the companies which they create, to issue only such policies as shall have value, consequently they forbid the issuing of any into which the assured, by the payment of an adequate premium, shall not have put the amount of value required by the law, under which the company may have been organized. No matter under the laws of what State the company may have been organized, the statute requires that into every policy for which a dollar has been paid, there shall have been put by the insured one hundred cents of “net value.” Under the laws of any State there is no such thing as *cheap life insurance*. Every policy for which

a dollar is paid, must be worth the dollar which is paid for it. It has an *INTRINSIC VALUE*. It can no more be cheapened than gold can be cheapened. If issued in accordance with the laws of the State, its value is always at par.

But why is the State so tenacious about the “net value” of policies of insurance upon the lives of its citizens? Why does it require every insured man to put a specific “net value” into his policy by the payment of an adequate premium, and then require the company always to keep that legal “net value” in it? The law defines the exact amount which the company shall hold as the “net value” of every policy for every day while it shall continue in force, and that value each day is different from that of every other day, yet the law defines it so clearly, that any actuary can compute its “net value” on any day, even though the insured may live to the utmost limit of human life. Is all this precision put into the insurance law of the State for the sole benefit of the corporation as such? Does it own all the values in all the policies? Does it own any of the *real* values in a policy of life insurance? Not a bit of it. It owns nothing except the loading upon the net premiums, which is collected for the payment of the current expenses of the company, and in a mutual company, it owns only so much of that as may be necessary to pay these expenses. As to everything which may have been placed in its possession, the company acts only in a fiduciary capacity. It may hold, take care of, and disburse for the purposes, and only for the purposes for which it was designed, that which may have been committed to it. The entire “net value” of every policy is held by the company, solely for the benefit of the policy-holder. Every law enacted in regard to it was for *his* protection. The law permits and requires the company to take from the “net value” of the policy when it was issued, money enough during the year to pay the death losses of the year, and it requires the company to reserve from the initial value (and its interest) so much, and only so much, as may be necessary to equal the “net value” of the policy at the end of

the year. The whole "net value," which is the whole net premium, which was collected, is set apart by law, for these two specific purposes, and the company cannot lawfully use any part of the "net value" of the policy for any other purpose. Further than this the law of the State is silent. But to this limit the law of the State does extend. The "net value" of the policy computed any day, belongs to the policy-holder. It was created by the payment of this individual premium, and the law in relation to it was enacted only that it might be held by the company for him.

The contribution plan was inaugurated by Mr. Sheppard Homans, and was first adopted by the Mutual Life Insurance Company of New York. It was explained by its author in the Appendix to the Massachusetts Insurance Report for 1867, pp. 190—196. In that communication its author gave a detailed description of the plan of the principles upon which it was founded, together with the different formulæ by which it could be applied to actual practice by the companies. The foundation upon which the whole plan is based is in the principle that the whole premium paid for a policy is absolutely the property of the policy-holder. The company receives it and holds it in trust, and may pay out from it and from the interest which it may have earned so much as may be necessary to pay the share of the total expenses and losses of the year which belongs to this individual policy-holder to pay. All that has been thus unexhausted remains absolutely the property of the policy-holder. Take Mr. Homan's formulæ, found on page 195 Massachusetts Insurance Report for 1867, and divest it of its algebraic characters and signs, and transform it into a balance-sheet of the real transaction, and we shall have the following entries for the first year's account:

POLICY-HOLDER—CR.

By first premium paid.....
By interest one year on same.....

DR.

To expenses paid.....
To losses paid.....

The balance, which is all that remains

unexpended, is the cash surrender value of the policy.

Mr. Homans continues the account another year as follows:

CR.

By balance from last year's account
(the entire value).....
By second year's premium paid.....
By one year's interest on both items...

DR.

To expenses paid.....
To losses paid.....

And the balance, which is all that remains unexpended, is again the cash surrender value. So of every subsequent year.

The cash surrender value is the entire difference between the sum of the premiums paid and the interest earned and the actual cost of the risk during the years for which the premiums are paid.

The explanation of principles upon which the business of life insurance was founded, commended itself to the practical common sense of the public in general. The companies accepted the explanation given by the author of the "contribution plan." The old Mutual Life Insurance Company of New York took the lead in placing itself before the world upon that basis. It claimed to do its business in conformity with the plan which it had adopted. In one of its pamphlets, handed to the writer of this article by one of its officers at its office in New York, is found the following: "Each member is credited with the amount of the reserve at the beginning of the year, and with the premium since paid. Both are put at interest at the current rate. He is charged with the actual cost of the risk. The difference between the credits and debits determines his over payments or contribution to surplus, while his dividend or equitable share of surplus, bears the same ratio to the entire amount to be divided that his particular contribution bears to the total contributions from all its members." Another company says: "The company credits each policy-holder, no matter whether life, ten-year, or endowment, with every dollar which his money earns, and charges him just what his insurance costs and no more."

The law requires the company to hold it, because it will be necessary for the final payment of the amount written in his individual policy if it ever shall be paid. By the principles upon which the whole business is founded, the "net value" of any particular policy never need be used for the payment of any other policy. The law does not recognize any such necessity as possible. According to the last Insurance Report of Massachusetts, the assets of all the companies reporting business in that State amounted to \$344,943,187.46, of which amount \$6,397,956 belonged to the stockholders as capital stock. The balance, amounting to \$338,545,231.46, came from the premiums which had been paid by the policy-holders. Much the larger portion of these assets—so large a proportion belonged to companies organized on the mutual plan, that I shall have nothing to say about any other kind of companies. All the net assets of these companies belong to the policy-holders. How much belongs to each policy-holder becomes an important question. That which does belong to each policy-holder may form the basis of another "value" in life insurance. As this "value" has not yet been named, so far as I have seen, I will venture to call it the "commercial value" of the policy. Surely the \$338,545,231.46 of assets held by the various life insurance companies should have a "commercial value." So much money ought not to be locked up for a lifetime in the coffers of any corporations, without some way of withdrawing it from these corporations.

Public good and private interest both alike require that there should be some method by which these assets may be equitably distributed, when the parties who own shares in them, and for whom they are held in trust, shall deem it for their interest to withdraw those shares. Each share must have its definite value, else it cannot be known how much may be withdrawn by any particular policy-holder. There is no inherent necessity that the power of determining what shall be the value of each such share, shall be lodged exclusively in the will of the officers of the company. In no other business

does one party in interest possess such power. The receiver of every fiduciary trust is required to keep a fair itemized account with the owner of the trust fund, whatever it may be, and upon settlement, he is required to account for the entire difference between the debts and the credits of that account. There can be given no satisfactory reason for a departure from that universal law of trade, when a life insurance company settles with its policy-holders. Money value is the only thing in question in such a settlement, and the only equitable settlement such a question will admit, must be in accordance with a fair balance-sheet of the business. Such a balance-sheet should be the basis of every settlement made by a life insurance company with its assured. Without it the moral sense of every community would be outraged. But how shall it be formed, is the question? Every insured man expects to pay his just proportion of the expenses and of the losses while he is insured. That is the fundamental principle of mutual life insurance. Without that principle, the most vivid imagination cannot conceive of a basis of mutuality. It is the very pith and marrow of the whole thing. Take that from it and nothing remains.

The laws of every State that has any laws upon life insurance, require the company at least once a year, viz: the 31st of December, to make a report to some proper officer of the State which shall exhibit the total receipts of the year, and the sources of those receipts, and the total disbursements of the year, and the items for which those disbursements were made, and to strike a balance between those receipts and disbursements. The entire cost of the insurance of the year, viz: the entire expenses and the entire losses paid by the company, are then determined, and by law they must be made known. The entire receipts from all sources are then made known. The State requires that the "net value" of every policy in force on the 31st day of December, shall be computed in accordance with the standard of valuation provided by the law. Its exact value is then known, and the total amount of those "net values" must be held

in the shape of certain securities described by the State. Whatever remains from the total receipts of the year after paying the expenses and losses, forms a fund; such portion of which as has been derived from the payments of each policy-holder belongs to him. Mr. Jacob L. Green, now the Secretary of the Connecticut Mutual Life Insurance Company, well says, in the Appendix to the Massachusetts Insurance Report for 1867, page 198: "The premium (paid) does not fully become company property until it is converted to company uses, and then only so much as is converted. That part to be used for current death claims and that for expenses, are not immediately but daily during the entire year, and as may be needed, converted to their proper uses. If the conversion stops short of the exhaustion of these items, the balance is saved to the *individual* and not to the company—is INDIVIDUAL PROPERTY, and should not be confounded with that of others." The unexpended portion of every premium paid belongs to the policy-holder, because the law requires the company to hold it in trust for him. The principle of mutuality in its simplest form, gives to the policy-holder the absolute ownership of the entire "net value" of the policy for which he has paid. If we go beyond this simplest form of mutuality to the contribution plan, which has now been very generally adopted by the mutual companies, we shall find this ownership specifically vested in the policy-holder.

The companies universally claim to do business in accordance with the principles of the "contribution plan" when they solicit the patronage of the public.

From the discussion of these questions thus far, the following facts are apparent:

First. The mutual principle in life insurance gives to the assured his insurance at the exact cost of the risk while it continues in force. All amounts placed in possession of the company, in excess of the actual cost of the risk, belongs to the policy-holder who paid it.

Second. The "contribution plan," which has been adopted by almost all the companies, *specifically declares* that each insured

person shall have his insurance at its exact cost. All which may have been paid to the company, together with the interest earned, in excess of the actual cost of the risk while it may have been in force, belongs to the policy-holder. It is the cash surrender value of the policy whenever it shall cease to be in force.

Third. The law of every State having an insurance law, specifically provides that the whole "net value" of the policy which at the time of its issue is the whole net premium which was collected, belongs to the policy-holder, and the same law requires the company always to hold the entire unexpended portion of the net premium and its interest at the legal rate for the policy-holder, and yet in the face of all these established facts, the policy-holders are almost invariably defrauded in the settlement of surrendered policies.

The companies do not recognize their liability for the full "net value" of the policy on surrender. They in effect deny that its ownership is vested in the policy-holder. The officers of the companies ignore the principle that the settlement of every transaction involving money values in which two parties have interests, must be in accordance with the balance-sheet of those interests. They assume the right to fix the "commercial value" of every policy as suits their own arbitrary will. Almost all legal questions touching life insurance have been submitted to the courts, which have given their decisions upon them. This question of the "commercial value" of a life policy, or the real liability of the company to the policy-holder on surrender of his policy, has not yet found its way into the courts. The officers of the companies thus far have paid something or nothing just as they chose. The policy-holders have supposed themselves powerless in the hands of those corporations. The most that they have done is, in a few States, to secure the passage of non-forfeiture laws. These laws have all been inequitable. They have afforded only partial relief. The laws themselves have violated the principle of settlement by the balance-sheet of the transaction between

the parties in interest. They have always relieved the company from *a part* of its liability to the policy-holder. Non-forfeiture laws are not necessary. Common laws will afford adequate relief to the policy-holder at the settlement of his policy on surrender.

Every government in Europe and America recognizes the obligation of every person and of every corporation to meet and pay every liability which he or it may have assumed. By no special legislation should any party be relieved from the full force of this liability. Life insurance companies form no exception to this universal rule of law. They should be held accountable for every dollar which has been committed to their keeping.

There is nothing about the business of life insurance which requires the introduction of new principles into the settlement of its accounts. The whole business depends upon the various computations involved in the combinations of time, money and interest. In the settlement of all other kinds of business, all the combinations of time, money and interest are subjected to the rules of common law. They must be settled in accordance with the balance-sheet of the account, whatever it may be. There is nothing about life insurance, either in its entirety or in its details, which forbids its being brought under the operation of the same law. An itemized account should form the basis of every settlement. The difference between the premiums and interest collected and the exact cost of the risk during the period for which the premium was paid, should be the exact measure of the liability of the company to the policy-holder. That should be the commercial, as it is the real value of the policy.

It has been fashionable among insurance writers to say, that the amounts lost by the assured on lapse or surrender policies are quite inconsiderable—that the companies really gain very little from those sources. If the Superintendents and Commissioners of the various insurance departments would give the “net value” of all the lapsed and surrendered policies at date of lapse or surrender, they would do the business of life

insurance much better service than by giving the numerous tables of useless ratios which now cumber their annual reports. If these flippant writers “had tarried at Jericho till their beards had grown”—if they had thoroughly studied the subject, they might have known that the “commercial value” of the policies which annually drop out of the companies by causes other than death is little, if any less than the amount paid as death claims by the same companies. These lost values represents vast amounts of money.

The question as to the ownership of these “commercial values” is an important one. It ought to be settled by the courts. There can be but little doubt that when the question finds its way into a court of equity, it will be decided in accordance with the balance-sheet of the account.

It will be found that a life insurance company must settle its accounts in accordance with its fundamental plan of business—that the company can insert in its policies no condition which will be of binding force that is not in accordance with its fundamental principles. That all its conditions of forfeiture are void, because they are contrary to the principles of mutuality which form the basis of the plan upon which the whole business is founded.

When such a decision shall have been given by the highest court of appeal, the “commercial value” and the real value of the policy will be the same. Then the policy-holder will have secured his insurance at its actual cost. Then he will be content. The people have never doubted that life insurance was worth all it actually costs. They do not now doubt it. They are dissatisfied because the companies require them to pay for more than they receive. About ninety-four in every one hundred policies issued cease to exist before the death of the assured, and all these are dissatisfied with the settlement of their policies. They *know* that the settlement is not in accordance with the balance-sheet of the account. Each dissatisfied grumbler tells his neighbor of his grievance, they talk it over till the whole neighborhood of policy-holders is alarmed, and one after an-

other fails to meet his premium when it becomes due. All this time it is becoming more and more difficult to secure new applicants for insurance. The business is becoming more and more expensive, and more and more depressed. A just decision of the question as to the ownership of the "commercial values" in life insurance will correct most of the evils, and remove most of the causes of dissatisfaction which now depress the business of life insurance, if they do not even endanger its very existence. C.

—N. Y. Underwriter.

Cornelius Walford as a Poet.

Cornelius Walford is an English insurance author, and as such has given to the world many good things on that subject. During the past summer Mr. W. honored America with a visit, and was feasted and toasted to the extent of our Eastern underwriters' ability. He was banqueted at Hartford, where Mark Train, in closing his little speech said:

"I will say in conclusion, that my share of the welcome to our guest is none the less hearty because I talk so much nonsense, and I know that I can say the same for the rest of the speakers."

At New York the gentlemen of the *Insurance Press* gave Mr. Walford a testimonial in the shape of a beautiful flower vase, twenty-eight inches in extreme height, standing on an ebony base which, with its immediate silver cover, is in the form of a colossal inkstand. At the time and place designated by the invitation, Mr. C. C. Hine, of the *Monitor*, presented the vase in a very pointed speech in which he said:

* * "We recognize in the material of which this vase is made, a symbol of that true manly metal whose ring all upright men delight to hear. We see in these artistically fashioned quills, which, bound together, uphold the urn, an emblem of united literary brotherhood, and of the pen more mighty than the battle blade. We trust that the flags of Albion and Columbia, wreathed together on its pedestal, may ever remain, intertwined in peace. We hope the laurel

wreath may indeed be yours—a worthy crown bestowed upon you for worthy labors faithfully performed." * * *

Mr. Hewitt, of the *Chronicle*, of New York, was called upon, and in closing said:

"I have said that in what we do to-day we honor ourselves much more than we can honor our guest. In the vain endeavor to honor him, the hand of art may exhaust its cunning and the tongue of eloquence palsy itself in eulogy; but when all is done, and the swift foot of time, that no strong hand can stay, has trampled hosts and guest alike into the dust—the product of his life work will remain an imperishable monument, an undying inspiration."

Other gentlemen present were called on and responded with touching remarks. After these insurance editors were through with their speeches and the good dinner was over, Mr. Walford picked up his little vase and crossed over to London, and on the way over he set himself to thinking what he could do to repay these American insurance editors for all this attention and for his vase. Questions arose in his mind whether he could give them anything more in way of insurance literature, but nothing new in that line crossed his fertile brain; so he says: "I will write poetry for the boys," and immediately took out his pencil and wrote as follows:

OUTWARD BOUND.

In view to regain health I'd lost,
The Atlantic I resolved to cross;
And to cut my expenses fine
Decided on the "White-Star Line."
The ship I chanc'd to light upon
Has long been classed, as A A 1;
By name she is the "Baltic" called,
By Captain Kennedy o'er hauled.
We reach the famous "Landing Stage,"
The elements become enraged;
And such a downfall as we had
Was like to drive us stark stare mad,
The "Tender" embarkation o'er,
Our baggage thrown upon the floor,
The hour to heave our anchor come,
My heart flies back once more to home;
With "forward," ever on my mind,
"Backward" my feelings still incline:
And thus debating as I stand,
We pass from sight of native land.

The scene is changed both soon and well,
By sudden sound of dinner bell;

And now the fates to me are kind,
 And place me where I had incline—
 In midst of matter and of mind.
 The brilliant wit began to flow,
 And humor lit up every brow;
 There sparkling Paine, and gentle Fay,
 (We drink his fourteenth marriage day;)
 While Seldon, shamefully nicknamed "Sam,"
 Is type of perfect gentleman.
 The ladies, too, have pleasing charms,
 And cling with love to husband's arms.
 I find myself ere first day gone
 A member of this genial throng!

My happiness thus made complete,
 I o'er the next few days may leap—
 Enough of these, indeed, to say
 Sickness and suffering had their sway:
 Old Neptune cut up very rough,
 Till all cry, hold! we've had enough!
 The sixth day came—we're "half seas o'er,"
 Those small tin cans we see no more:
 We all begin to feel it time
 To drive dull care across the line;
 And see what each and all can do
 As his part to the end in view.
 To aid this transformation scene,
 The sky looks blue, the sea looks green.
 The sun comes down in golden sheen,
 And all his joy where gloom had been.
 When all combine the task is light,
 And so we find ourselves each night
 Prepared to enjoy some now delight*
 And thus the time flies on.

While mirth is thus kept well in view
 We talk of graver subjects too;
 The destinies of the human race,
 The effect of strikes on time and place—
 Whether idleness deteriorates race.

What future changes yet unseen,
 The landmarks of our trade may ween
 From ancient courses well in view,
 To this channel wholly new.

While thus our minds incline to roam
 We can't lose sight of things near home:
 Then walking on the upper deck,
 We see below us, ill and wet;
 A somewhat rugged-looking set.†
 These same are solving for themselves
 Problems which our philosophers
 In vain have tried to make most plain,
 At loss of health, exhausted brain.
 It may seem strange, but so it is,
 We work out our own destinies.

And so, dear wife, from this you'll see
 My luck is not deserting me.
 Here, as of yore, I often blend

Nonsense of own with mirth of friend;
 Under all this, I hope you'll see
 Some of my old philosophy.
 While thus across the seas I roam
 My thoughts rush often back to home.
 Our little children oft I see,
 In mental vision, round my knee;
 While your dear voice comes o'er the deep,
 And cheers me in my deepest sleep.

HOMEWARD BOUND.

My autumn holiday is done:
 My thoughts are cent'red all in home.
 I take a ship most famed for speed:
 All lesser dangers scarcely heed;
 Drive all things up to the nick of time
 Relying on the "White Star Line."
 But now I have to learn again
 That best laid schemes of mice and men
 May be o'erthrown by causes small,
 Apart from sea risk, storm or squall.
 The "Adriatic" in her way
 O'erhauls the "Parthia" in the Bay.
 Resentment fierce becomes inflam'd—
 She "makes for us," we're badly main'd:*
 Three day's delay straightway ensues,
 Which gives us all a fit of "blues."
 The ship made good, away we start:
 The captain and the crew in heart
 Resolve to skim the seas apace,
 And give the "Parthia" still a race:
 We're on our way; all things seem fair
 Our loss of time in part to repair.
 But now while I am pacing deck,
 I find some time for retrospect:

The events of weeks all stored away
 Are now allowed fair scope for play.
 Columbia, glorious, I've passed o'er,
 My trip has compassed shore to shore;
 All former scenes are thrown in shade
 By sight of western hill and glade †
 All earlier estimates quite undone
 By wealth and greatness still to come.
 What future commerce yet awaits
 The passage of those "Golden Gates"? ‡
 Prophetic name! who dares to dream
 The future greatness of this theme!

How many lessons may be learned
 By study of these western lands!
 The very rail we ride upon
 Suggests new thoughts to Eastern men;
 In Europe rails to towns are brought—
 In Western States this rule don't run,
 Railways are made in advance of men.

So many sights are strange to see—
 Not least the great Yo Semite;
 Where nature has in solid stone

* Readings, recitations, concerts, sham trials, &c., constitute the amusements on board Atlantic ships in the evenings.

† Some three or four hundred emigrants—steerage passengers.

* The "Parthia" Cunard ship came in collision with us in the Bay of New York, under very remarkable circumstances. C. W.

† This refers to the U. S. only.

‡ The entrance to the Bay of San Francisco.

All former efforts near outdone!
 Next California's glorious clime
 Might claim my space by hundred line;
 But pen must fail e're to convey
 One tithe of all I'd wish to say;
 I try the same in single line—
 'Tis wondrous, beauteous, and sublime.
 But yet by way of compensation
 Earthquakes sometimes cause consternation
 And lead good people oft to roam
 To places better anchor'd down.

I pass from themes of grave import
 To questions of a lesser sort:
 Remember self, and that I've been
 The guest at many a festive scene.
 With friends that made my praises sound
 As if they thought my conscience drown'd.
 It is most grateful e'en to find
 The humbled service kept in mind;
 And in my work it needs must cheer
 The labor of each future year:
 While in my memory will descend
 The name of many a new-made friend,
 Those generous hosts of Western land
 With one and all I now shake hand.
 Again back to our ship I come,
 She's speeding gaily on towards home.
 We try to make the time pass by
 In scenes of mirth and jovialty.
 To this good work I press each friend,
 That all may join in common end.
 A few days more we all shall part;
 I pray we do so in good heart;
 And that each one in his degree
 May share such welcome as waits me.

C. W.

The New Orleans Underwriters' Agency.

The New Orleans Underwriters' Agency has withdrawn from New York City, and the insurance editor of the *Express* is very much surprised at the action of this association, and devotes considerable space to "wondering why this is thusly," and gives Mr. Bleecker, the New York manager, quite a good puff, giving the business of the New York agency as follows:

The net premiums received were.....	\$113,801.47
Total losses, including the Saratoga	
Hotel, in dispute, only.....	30,383.50
Return premiums paid.....	10,715.56
Total losses and return premiums...	\$41,069.06
Balance.....	\$72,732.41

This is the business since April, 1873, which is not a bad showing. The *Express*

winds up by saying: We soon found that the good executive management and pecuniary success of the New York agency under Mr. Bleecker was fully admitted and confirmed, but that the late political "tidal wave" in N. O. and throughout the country peremptorily prohibited the further continuation of the present official organization, and necessitated an immediate "sliding from under" the inevitable suspended sword over the present board of officers.

To do this gracefully had required some little rounding off of preamble and resolutions, ostensibly founded upon the national shrinkage of values of real estate, especially in N. O., to the extent that the present measured financial condition of the company precluded the possibility of its passing the stringency of the standard of solvency of the laws of New York, and therefore it concluded it best gracefully to withdraw.

Upon this smooth platform an easy slide "down and out" was carried, and the New York Agency officially terminated without one hour's notice or word of complaint of its executive management.

How the officers of the company are affected through the late political revolution it is quite useless, now that it is past, and unnecessary, to explain to our readers. Suffice to say it is done.

Mr. Bleecker has worked hard and faithfully to build up a safe business of pecuniary value to himself and the company of which he was the honored representative, refusing many highly complimentary offers about the time of the acceptance of this N. O. Underwriter's Agency, and through the uncontrollable results of the late political wave, his bark has been thrown upon the land high and dry, ready to start anew the inseparable, indefatigable, arduous and responsible duties connected with the successful establishment of a New York Agency of an out of town insurance company.

Mr. Bleecker will retire with the consciousness of having acted well his part with the best wishes of all experienced underwriters, and is now ready to accept some of the flattering offers heretofore tendered to him.

Trying to Insure a King.

Life insurance agents are noted for their cheek; in fact, cheek is their strong suit. But some of them possess it to a much greater degree than others, having inherited a fair share of it from their progenitors, and made the cultivation of it a diligent study from their boyhood up. But the degree of cheek which some of them possess is not more astounding than the manner in which it is displayed. In some it develops itself in the form of a mathematical talent which enables the agent to prove that a hundred and fifty dollars paid into the Wooden Nutmeg Life Insurance Company will insure your life for ten thousand dollars, and that the amount left, after paying the commissions and medical fee on your policy, and all your share of the death losses, taxes and expenses of management, and providing for the legal reserve (which takes all the premium) will earn for you a dividend of at least seventy-five dollars. In others it assumes the form of piety and philanthropy and discants of the duty you owe to your family and to society to insure your life and leave your offspring enough money to keep them out of the Alms House or the Penitentiary. There are still others, in which it assumes the form of that impudence begotten by the greed of gain, and in which the ears of the ass are more prominent than the wisdom of the sage.

To this latter class belongs the General Agent of the Connecticut Mutual Life Insurance Company for this Coast, Mr. J. B. Roberts. Mr. Roberts used to print his advertisements on the backs of the tickets used in his Sunday school. Not being able to reach the heads of the families in this way, however, as well as he wished, he procured himself elected a member of the Board of Supervisors of this city, and since that date we learn that he has made a practice of interviewing those who had axes to grind, upon the subject of insuring in his magnificent company, before he would consent to vote for their measures. As an instance of this kind, a prominent gentleman on Montgomery Street placed a bay window in his

art gallery, without asking permission to do so of the august body of which Mr. Roberts is a member. After the work was finished, he appeared before them and asked for authority to do so. Mr. R. called him to one side, as the gentleman supposed, to ask him some private question about thus violating the sacred ordinances of that honorable body. Imagine his surprise, when he began to preach life insurance to him, and the great blessings he would enjoy by being insured in the Connecticut Mutual, particularly. But the crowning case of all is said to have occurred since that date. When the King of the Sandwich Islands recently arrived here, Mr. Roberts, so we are told, sought an interview with him, and told him that he was one of the City Fathers, and that he could do numerous and great things for him. He could pass him into the Museum, Woodward's Gardens, and the California Theatre; that he could take him up on the top of the Palace Hotel and show him the whole City of San Francisco, and the surroundings; or, better than all, he could go with him to see Emerson's Minstrels or McDonald's Indian Cadets. But before he could do these things, he told the king that it was necessary for him to insure his life in the Connecticut Mutual Life Insurance Company, the best institution in the world. The king had been delighted with the idea of seeing all these wonderful things, and he was about to fall down and worship this great and good man, who was sacrificing so much for his comfort and pleasure; but when this last thing was told him, he grew furious, and tore his hair, and groaned like a sea lion. After his excitement had subsided, he said: "Get thee hence. Once upon a time an agent of your style and impudence came over to our beautiful Island, and he did talk at first after the manner of thyself. His words were like honey, yea, sweeter than the honey-comb, but after a while he made trouble among our Kanakas by robbing them of their money. I believe in legitimate life insurance, but of your kind, I'll have none of it in mine." After this conversation, Mr Roberts departed, a sadder, but wiser man, and the only way he

could get even with the king, was by voting against the proposition for the city to settle the king's hotel bill. Would he have done this had the king insured with him? But what makes the sublimity of his cheek that much greater, is the fact that he has no authority to do business in this State. Any man, having no authority to do business for a company, who will presume to canvass a king for life insurance, should be awarded a premium as the cheekiest man in the world.

Rights of Californians.

Some newspaper writers are borrowing a good deal of trouble about the rights of citizens of a State to effect insurance outside of its limits. We notice, for instance, in the *New York Mercantile Journal* an extraordinary discussion of what ought to be a very simple question. It quotes from a recent issue of the *New York Express* the following inquiry:

"Souther & Co., brewers, of Boston, have some surplus insurance to place, and select the *Brewers & Maltsters' Insurance Company* of New York. They find, however, that the company is not represented in Massachusetts, and they accordingly send their proposal direct to the office in New York. The risk, we will say, is accepted, and policy duly written. *Query*—Before sending the policy to Boston, is it imperative that the company should have the consent of Mr. Commissioner Clarke as representative of 'the State in which the property is situated?' And if sent without such 'consent,' what will be the consequences? Also, if a fire should occur under such policy, have the insured any legal remedy to enforce payment if necessary?"

To this inquiry the *Express* volunteered the following most extraordinary answer:

"The company could not, if they would, directly or indirectly, legally issue a valid policy of insurance on property in Massachusetts, because prohibited. The corporate capacity of the company exists *only* within the jurisdiction of New York and such other States as *extend* to it corporate capacity.

New York cannot create an insurance company with the power of insuring property in Massachusetts, except with the express or implied consent of the latter State, and never, if prohibited, as it is.

"The policy being issued contrary to law, is a nullity—a fraud—is invalid in the hands of the purchaser, and not binding upon the company; nor will a claim for loss under it be recognized by the courts of any State or of the U. S."

As might be supposed, such an assertion excited a little alarm in the mercantile community, and various letters were addressed to the editor, among others the following, which we insert below with the editor's comments, as well as a communication from Mr. Chapman, Superintendent of Insurance for the State of New York:

"NEW YORK, December 9, 1874.

"To the Editor of the *Mercantile Journal* :

"A friend of mine, residing in San Francisco, during a recent visit to this city, took out a policy for \$5,000 in one of our companies, which is now operating in California. In view of recent legislation in that State, by which so many companies were forced to leave, is the issue of my friend's policy legal, and is there any protection in law for it?"

"Yours, etc., J. F. C."

If we relied on our own opinion, we should say that these policies were valid as against the companies, and that suit could be successfully maintained either in the courts of the States where the companies are located, or in the U. S. Courts; but we preferred giving the information on authority, and on the 10th ultimo addressed a letter to Superintendent Chapman, in which we asked to be enlightened on the following points:

First Case.

A. B., residing in Massachusetts, wishes to place his insurance in a New York company, which is not licensed to do business in that State. He sends a proposal by mail, and receives back a policy which, in the course of time, becomes a claim under suspicious circumstances, and the company in consequence refuses payment of the loss.

Has A. B. any remedy at law in the New York or U. S. Courts?

Second Case.

C. D., residing in San Francisco, during a visit Eastward, insures his life in a New York company which does not do business in California. Within the year we will suppose he dies, and from some irregularity in making out the application the company refuses payment of the claim. Has the representative of C. D. the right to sue the company in the New York or U. S. Courts?

In his reply, under date of the 11th ult., Superintendent Chapman, *over his own signature*, says:

"As a lawyer, I should say this—that a man residing in Massachusetts could come to New York and make a contract with a New York company to insure his property in Massachusetts, provided there was nothing in the company's charter, or in the Massachusetts law, to prevent it. So, also, a man has a right to come from California and make a contract with a life insurance company here. But in both instances, in case it became necessary for him to sue the company, he would be compelled to sue either in New York State Courts or in the United States Courts, for the reason that he could get no service on the company."

Mr. Chapman's very sensible answer naturally recommends itself to all thinking men, and it should be remembered that he is not only a very judicious Insurance Commissioner, but a well-educated and experienced lawyer. It would be fortunate if the State of California could secure as much judgment and learning in its own insurance department. A little common sense at the head of that office might have served our community much annoyance, and would have averted great reproach from the legislation of the State.

To dispute Mr. Chapman's conclusions is quite as absurd as to say that the Legislature of any State, California, for example, may forbid its citizens from effecting insurance outside of its limits. They might as well attempt to prohibit them from buying shoes made in Massachusetts, or cotton

raised in Louisiana. In fact, it is high time that State governments came to a realizing sense of the fact that there is some limit to their authority. This great federal Union is not an empty name, neither is the authority of each member of it supreme and absolute. Upon some matters of transcendent importance the sole authority is reserved to States, and this reservation should be guarded with jealous care. But in matters relating to commercial intercourse, and the establishment of relations of business, the communication between all the markets and financial centres of all the States should be as unrestricted as possible.

The XIV Amendment of the Constitution of the United States has recognised the fact that citizens of the United States have distinctive rights, which cannot be abridged. In an early case, *Crandall v. Nevada*, 6 Wallace, 36, the Court asserted this right of every citizen of the United States, to resort to the business and political centres of any part of the country, to promote his interests, quoting a significant remark of Chief Justice TANNEY in another case, that *for all the great purposes for which the Federal Government was established we are one people, rather one common country, we are all citizens of the United States*. Judge MILLER emphatically re-asserted similar views in a recent important case, and no lawyer of respectability would deny the right of any citizen of the United States to make and enforce contracts in any part of the federal domain. It is perfectly absurd to question the right of any citizen of California to effect insurance upon his ships, his house, or his life, in any part of the United States where he can find an Insurance Company, and any law of California attempting to restrain the most free exercise of this right would be both impotent and ridiculous.

These are no new-fashioned ideas suggested by the recent constitutional amendments. They were asserted long ago by the highest Court of Virginia, where the resolutions of 1798 were almost accepted as part of the Common Law, and the whole atmosphere was redolent of strict construction and

reserved rights of the State. The commonwealth of Virginia once saw fit to enact a law forbidding outside banks to establish agencies in Virginia. The merchants of Wheeling, then an infant pioneer city, felt the want of bank facilities, and would have proved valuable customers of any bank which could extend aid. There was a bank at Marietta (the seat of the first settlement on the Ohio) which had a surplus of capital; and the merchants of Wheeling hit upon the idea of patronizing a broker, who collected Wheeling notes, which were made payable in Ohio, and sending them to Marietta for discount. When the notes came to maturity, the same broker would send the money to Marietta to pay them, and the merchants of Wheeling never went beyond the broker's office, and probably suffered no inconvenience from the Virginia law, except in a trifling extra per centage to cover this awkward way of doing business. In course of time, somebody failed, and his note was sued in the Virginia courts, and either the maker or indorser set up the defence that the transaction was illegal. But the Virginia Courts failed to detect the illegality, and judgment was rendered in due course, and the Court gave most satisfactory reasons for its decision in 2 Randolph Rep., 474.

Now, there can be no doubt that all the recent unwise laws of California have been and are evaded with equal success by a similar proceeding, and what has the State of California accomplished beyond the imposition of a little annoyance and expense upon persons holding or desiring insurance policies from outside companies? They have lost their taxes, which hitherto they collected without difficulty from the foreign companies, and which yielded no inconsiderable revenue; and even the Commissioner, whose zeal has hardly been tempered with discretion, has found his own perquisites sensibly abridged. As Mr. Webster once said of certain "enthusiastic, but not very far-seeing politicians," they "had better have waited."

We respectfully ask, if this kind of thing is never to end. Some years ago, the California Legislature in its wisdom imposed a

heavy tax upon all passengers leaving the State. The owner of passenger ships collected it of passengers, and then refused to pay the State, and tested the question, which was decided just as any law-student could have predicted. The passengers had dispersed long ago, and the money thus paid has gone into the treasury of some great corporations. The only effect of that tax was to raise the rate of transportation, and the only effect of these late insurance laws seems to have been to promote what medical men call a "heathful superficial irritation."

We hope that wisdom will ultimately control our legislation. California now attracts the wonder of the world by the vastness of her material resources and the incomparable folly of her laws. Let the future demonstrate that wealth and folly are not inseparable.

[From the *Medical Record*.]

Tobacco and Life Insurance.

BY E. R. MAXSON, M.D.,
OF SYRACUSE, N. Y.

There are so many in the Life Insurance business who use tobacco in some form or other, that it subjects one to the liability of bringing down upon himself the execrations of all thus under the influence of the weed, to even make a suggestion bearing upon the influence of the habitual use of tobacco in shortening human life.

And yet it must be admitted by every candid and well-informed man, not under its influence, and who has taken the pains to think, that the poisons of tobacco—nicotin, nicotianin, and its empyreumatic oil, as introduced into the human system, in the various modes in which it is used—by chewing, smoking, and snuffing—tend strongly, not only to produce various forms of fatal disease, but by directly depressing vitality, in every instance, to greatly lessen the average of human life; and, what is still worse, they cause a strong inclination for intoxicating drinks.

The fatal diseases caused by the poisons of tobacco are undoubtedly very numerous.

But cancer of the lip, disease of the heart, and collapse of the nervous system, with symtoms very like apoplexy, may perhaps be the most frequent; and all of them are to be dreaded by life insurers. As an examiner, medical practitioner, and careful observer, in this country and abroad, I am confident that many other diseases, tending to shorten human life, indirectly, are the result of the habitual use of tobacco. I could, did space permit, refer to numerous cases that have fallen under my observation and care during the past year, in which there was a collapse of the nervous system, simulating apoplexy, and evidently a direct result of the accumulation of nicotin in the system, from the habitual use of tobacco. I was called to see one such case in a distant State, and the man recovered under the use of tonics; he was quite largely insured, as I learned; another, an insurance agent, less fortunate, because his disease was longer neglected, or not diagnosticated, died of imbecility, and so his agency wound up.

Intoxicating drinks, the terror of life-insurers, are taken as a rule, I am confident, by those who become habitual drunkards, to counteract the depression of vitality caused by the poisons of tobacco previously used. And hence, in tobacco may be found not only the direct cause of many fearful and fatal diseases, but also of most of the drunkenness and disease attending the use of intoxicating drinks.

Insanity is admitted to be a frequent result of the use of tobacco by those most competent to judge. And yet, I am not aware that life insurers have ever taken into account that tobacco produces an imbecility short of insanity, disqualifying all who use it in a greater or less degree from exercising that care and discretion in the observance of the laws of health which they might and would employ were they not under the influence of the poison. It should be remembered that very many physical and mental ills are thus produced, which, with all the direct effects, tend to make tobacco one of the most pernicious influences in destroying and shortening human life, and hence to be dreaded by life insurers.

In view of all the facts bearing upon this important subject, I respectfully suggest: That as human life is greatly shortened, directly and indirectly, by the use of tobacco, if tobacco users are to be insured at all, their average of life should be estimated separately from those not addicted to its use, and they should be charged accordingly, thus relieving those not addicted to the use of weed; and further, that all life insurance agents should be selected from among those not addicted to the use of tobacco.

Fire Marshal's Report for December, 1874.

Our Fire Marshal, Mr. J. S. Durkee, will accept thanks for the following report for December:

Cause of Fires and Alarms.

Actual Fires.....	18
Chimnies.....	2
False.....	4
Attempts.....	1
Second alarms.....	1
Total.....	26

Cause of Fires.

Ashes in wooden box.....	2
Carelessness with candle.....	1
“ “ fire.....	1
“ “ matches.....	2
Defective chimnies.....	1
“ ranges.....	1
“ stove pipes.....	1
Gasoline stoves.....	1
Incendiary.....	3
Supposed carelessness with matches.....	2
Unknown.....	3
Total.....	18
Highest number of buildings burned at one fire, Post and Mason Streets.....	6
Largest loss at one fire.....	\$10,300

Proportion of Buildings Burned.

Totally destroyed.....	2
Considerably damaged.....	3
Slightly damaged.....	14
Fires confined to one building.....	13
Fires and no damages to buildings.....	4

Buildings Burned.

1-story frame.....	2
2 “.....	11
3 “.....	3
4 “.....	1
3-story brick.....	2
Total.....	19

Buildings Burned—How Occupied.

Barns.....	2
Club room.....	1
Chinese Temple.....	1
Dwellings.....	3
“ and fancy store.....	1
“ “ grocery.....	1
“ “ saloon.....	1
“ “ dry goods.....	1
Chinese wash-house.....	1
Fringe Factory.....	1
Lodging houses.....	2
Lodge rooms and stable.....	1
Printing office and store.....	1
Stable.....	1
Tenement House.....	1

Total.....19

Estimated loss..... \$22,448

Insurance..... 70,700

Estimated loss on buildings..... 3,430

“ “ stock, furniture, etc..... 18,958

JOHN L. DURKEE, Fire Marshal.

Grangers' Insurance Co.

The advertisement of the California Farmers' Mutual Fire Insurance Association will be found in our columns.

This company was organized about six months ago, under the auspices of the Grangers of California, and has for its object the furnishing of insurance against fire on farm property alone, avoiding town and city risks entirely. The plan of this company is somewhat different from most mutual fire companies, and to that extent is an experiment. The plan is about as follows:

Each person insuring in this Association shall make a deposit of two per cent. on the amount for which his, her or their property is insured, for the purpose of meeting assessments for losses and expenses of the Association, and the money so received shall be deposited with the Grangers' Bank of California, and a Certificate of Deposit issued to the depositor for the amount; the money so deposited to draw interest as may be agreed upon by the Directors with the Bank. And when the deposits in the said bank shall amount to over \$50,000, the President, Vice-President, Secretary, Treasurer and Directors shall have power to withdraw from said bank the excess of \$50,000, and deposit the amount so withdrawn with local

banks in other parts of the State, or invest the same in real estate securities, school or county, or township or county bonds of this State, as they may deem prudent, and for the best interests of the insured.

When a promissory note is given for the deposit money, the insurance shall be good on said note, *provided*, the policy shall not have been canceled; and in case a loss occurs previous to the payment of the said note, the Secretary shall retain out of the amount allowed for loss when adjusted the amount of said note and interest.

If, at the expiration of a policy, there is deposit money on hand, it will be refunded, by giving thirty days' notice, and also forwarding the certificate of deposit and the policy; and if it shall ever so happen that the deposit money of any person insured should be insufficient to pay the proportion of losses and expenses of the Association for the time insured, the Secretary shall notify such person, and he, she or they, can withdraw, or deposit such an amount of money as the Board of Directors may deem sufficient to pay the proportion of losses and expenses for the unexpired term of the insurance.

In addition to the above, the insured deposits a fee of five dollars, which includes the issuance of the first policy for five years, and at the expiration of the five years a renewal fee of \$1.50 is payable by the insured.

The success of the company up to this time has surpassed the most sanguine expectations of the managers; and we may add right here, that a good part of their success is due to the energies of the special agent, Mr. F. L. Jackson, who has given them a good line of business.

The managers of this company are not experienced insurance men, yet we believe they are all men of business qualifications and unquestionable integrity.

Mr. Blanchard, the President, is doing all in his power to put the company on a good footing.

—The new blanks adopted by the Chamber of Life Insurance are now in use.

Fireman's Fund Ins. Co.

We insert the following circular letter from the Fireman's Fund Insurance Company to its Agents, as the best exposition of the admirable progress made by this excellent company; the abstract referred to will be found in our advertising columns.

FIREMAN'S FUND INSURANCE CO., }
SAN FRANCISCO, Jan. 10, 1875. }

Agent:

Dear Sir:—We wait upon you with abstract of the annual report of the Fireman's Fund Insurance Company, for the 31st of December, 1874, with an epitome of the company's business during the year just closed.

You will agree with us, that it is a very gratifying record in every respect.

Each department of our business shows handsome gains in its net results, and will, we think, compare favorably with any company in the agency field.

We have avoided all effort to "force business" at the expense of safety, preferring rather the slow, steady growth from carefully digested business, so that while the aggregated premium receipts for the year show a gain of \$28,000, the year closes with a *gain in net assets* of \$71,111.22, after paying to stockholders \$63,000 in dividends.

Nor is this last disbursement made at the sacrifice of that judicious policy which dictates the necessity of accumulating a *strong surplus*, the rent and interest earnings from its necessarily large reserve fund, and well invested assets, amounting to \$44,000, or within \$19,000 of the dividends paid.

Six-hundred and thirty agencies now represent the Company in 26 States and Territories. We are thus enabled to secure a large premium income from fire risks, on *moderate lines, judiciously distributed*, avoiding the dangers to policy-holders and Company arising from a heavy concentration of risks.

We have *no fire losses unpaid* in the "Home Department," embracing California, Nevada, Oregon, Utah and Colorado; the small line of unsettled losses in our Eastern and Western Departments, and the marine losses

unsettled, are in "process of adjustment," and none due.

Notwithstanding the very largely increased competition in our Home field, and the "raids" of cheap companies, our premium receipts, from this Department, are fully up to those of '73, very few agencies showing a material loss of business, while at many a very gratifying increase is shown.

In our "Marine Department," which is confined to this Coast, the gross premium receipts were \$143,000, against \$113,000 in '73, an indication of the substantial favor in which the Company is held by the commercial community at home, and the well applied energy of those who have this important branch of the Company's business directly in charge.

The Marine loss for the year, \$61,000, is gratifyingly small, considering the serious disasters generally experienced by our sister companies.

We commend to our friends a careful examination of the line of assets held by the Company; nothing of a doubtful character will be found therein; the item of "Premiums in course of collection" always of questionable value in emergencies, being at its minimum, less than one month's business in its Home Department.

With this brief review, we invite for the Fireman's Fund of California your especial attention; *see that rates are well maintained*, as upon the adequacy of the rate depends largely the success of the Company, and the value of the *indemnity* which the assured purchases.

Trusting that 1875, which opens so auspiciously in our much favored Golden State, may prove bountiful in its prosperity to Company and agents,

Very truly, Yours,

GEO. D. DORNIN, Secy.

—An Association of Fire Insurance Companies has been formed in Canada, the object of which seems to be similar to that of our National Board of Underwriters—namely, to secure uniformity of rates. A meeting was recently held in Montreal, where nearly all the companies were represented and a schedule of rates adopted.

MINOR EDITORIALS.

The Commercial Insurance Company.

The Third Annual Statement of this Company is before us, giving its standing and condition on December 31st, 1874. The Company was organized February 26th, 1872, with a cash capital of \$200,000. Since then it has been doing a very successful and conservative business, paying its losses with promptness, and gaining the good will and confidence of all its patrons. On the first day of this month its standing was as follows :

Total Assets.....	\$458,808.91
Liabilities, except Capital.....	125,237.97

Surplus as regards policy-holders.....\$333,660.94

The assets are largely represented by stock of the Merchants Exchange Bank of this city, which may be regarded about as safe as real estate. The assets throughout are of a first-class character. The income for the year foots up \$281,072.08, of which \$248,630.02 was from premiums and \$32,442.06 from interest. The expenditures aggregate \$181,942.89, of which \$61,023.28 were for losses and \$60,000.00 for dividends to stockholders, the balance being for commissions, salaries, taxes, rent, etc. The total amount at risk is \$11,237,414.30, to re-insure which, the company has set aside \$121,070.97.

It will be seen by the above figures that the company has done a very prosperous business. The dividends disbursed for the year nearly equal the amount of losses paid. For nearly two years the company has paid $1\frac{1}{2}$ per cent. monthly dividends regularly, and it now shows a clean surplus over capital of \$133,660.94. This is a splendid exhibit, and one that speaks well for the management. The officers deserve credit for promptness in putting the statement before the people, and the success of the company is largely due to the energies of A. R.

Gunnison, the General Agent, and C. A. Laton, the Secretary, both men of experience and ability in their profession. The Commercial's business is confined exclusively to this Coast, and is of that conservative character which entitles it to the confidence and patronage of the public.

Care Needed in the Appointment of Agents.

The *Insurance Chronicle* of New York, has some good suggestions on the subject of appointing agents, and we give the *Chronicle's* remarks, that some of our own Underwriters on this Coast may profit by the suggestions. There is no State in the Union where so little regard is paid to the appointment of agents, both Fire and Life, as in California. We do not make this assertion in way of a reflection on any particular company or General Agents. The *Chronicle* says :

The whole fraternity of underwriters are mutually interested in guarding against the evils inevitable to letting down their profession and its rules. All are alike sharers in the dangers and disrepute cast upon the guild by the practices of careless and over-zealous agents, more anxious to extend their list of premiums than to make careful and sure work. The insurance man, if he is worthy of his calling, possesses a vocation second to no other in the qualities it calls for in its followers. It is easy to rush from some falling or fallen occupation, of an entirely different nature, into the business of underwriting. It is not as difficult as we wish it were for men, utterly without experience, to obtain a company or list of companies to represent.

We would not write a word to discourage new aspirants to the insurance business, but we do deery the danger and folly of the too current belief that "anybody may be an insurance man." It is a calling that makes large demands upon the best native qualities, aided by the best culture, and it is an insult to the craft to practically deny this, in the

ease with which its best results and highest rewards are given to new beginners. It is not safe for the community to allow an easy success to the novice in underwriting. There is no calling where extreme caution and arduous study will stand its possessor in better stead.

In default of this careful quest of the proper avenues to successful underwriting, too great recklessness prevails. Careless underwriting is too common. There is an insufficient study of risks when originally taken. There is too little watchfulness to see that the risk remains what the policy must remain by its very nature,—a fixed and certain quantity. On the contrary, in insurance equation, there is too frequently found “an unknown quantity,” representing the condition of the insured. This is a premium offered for rascality. This leads to arson and incendiary fires. This hazards the property of innocent parties. And this, too, strikes at the foundations of the prosperity of all reliable companies. It will not be easy to establish examinations and rules of admission to the underwriting fraternity. Its lists are open to all, but a very salutary check may be administered by the sound and reliable companies, if they are true to themselves and to one another, and carefully maintain the standards of their profession.

The North Pacific—M. P. Morse.

We mentioned in our last issue the fact that M. P. Morse had organized something that he called a Life Insurance Company in Portland, Oregon, and promised to look into the papers and plans, and report on the same in this number of the REVIEW. Well, we have examined the papers and plans, and will inform our readers that the North Pacific Mutual Life Association is nothing more nor less than a second-class co-operative, co-duperative swindle of the original stamp, and being one of that class of institutions we do not feel that it is necessary to give at length the detailed plan of this short-lived concern. We do not make these

broad assertions as reflecting on those honorable gentlemen who compose the board of directors and stockholders, as we are well aware that they were induced to join this institution by M. P. Morse's assumed knowledge of insurance business.

The only difference between this and other co-duperations is that Morse's impudence has carried the plans a little farther than other institutions of like foundation. The North Pacific proposes to issue ten, fifteen, and twenty-year endowments, on the following conditions: By the party paying for a ten-year endowment of \$1,000, the sum of \$75.00 a year and one dollar at the death of each member in his or her class. On the life plan the charge is five dollars a year annual fee and one dollar at death of each member; but on the life plan, if a man chooses, he can pay the sum of \$25.00, which is in full for all \$5.00 annual dues. This institution also proposes to issue one-premium endowment policies as follows: \$1,000 payable in five years for \$800.00 cash down; \$1,000 payable in ten years for \$550.00 and so on. Let us pray that this institution may never grow smaller. We know it will never grow larger.

A Plain Duty.

As our brisk and wide-awake Commissioner dons his spectacles to examine into the affairs and conditions of the Companies doing business on this Coast, we appeal to him that he give us some evidence of his fitness to the position he has so successfully disgraced heretofore, by giving very particular attention to the re-insurance funds so carefully prepared in the annual statements which will soon come under his eye as guardian of this insured people. The changing of a figure, or even a slight error, at times makes quite a different result, and while it takes labor, it is just what his Majesty is paid for, and we suggest that the different items composing this Fund be checked off on the books, and the additions and subtractions entered into throughout. Cash tags won't pay losses, neither agency

supplies, and for cash in bank, he should require the certificate of cashiers in every instance. Real Estate, too, so far as values go, must be carefully scrutinized, and especially such as are remote from headquarters of the Company holding the same. We offer these suggestions without reference to any particular class of Companies; one and all should meet the same rigid examination at the hands of our Commissioner. The statements which have not been doctor-ed can lose nothing, while the public, the profession, and the country at large will be benefitted if some of these sharp practices on the part of shysters in the Insurance business can be exposed and the fact nailed to them. Mr. Foard, accept our blessing, and go for them.

Fire—1874-5.—Marine.

We have watched with considerable interest the closing of the present year, being, perhaps, the most profitable season, without exception, our underwriters have experienced on this Coast. True, the loss of the steamer "Japan" affected the profits of two or three companies doing a marine business, but aside from this neither branch of the profession have suffered any very great percentage of loss. This must be taken as a deserved compliment to the men piloting the companies on this Coast, for in no field under the sun is there any better likelihood for "Irish dividends" and excessive loss. Tempting premiums are constantly floating on our market, and in some localities of the State, inducements are strong to over-insure, and except for vigorous and conservative management, these risks would make a channel of loss to some of our companies. The business, we are glad to say, has a healthy outlook, and with a country prosperous, and values becoming more settled, it is probable the Pacific Coast will furnish underwriters for all time to come, a revenue of steady profit. To secure such an end, we must not allow this prosperity to lead us into concessions or loosen our grapple with unsafe and unsound practices. Stand by your helm, gentlemen, that the seas of adversity may dash against

your bulwarks in vain, and secure for the profession and yourselves, merited profit and praise. Our field is not so well occupied as to warrant any unreasonable competition; there is room for all, and at present it is most gratifying to note a general harmony and good feeling existing between our resident underwriters, one and all. To the fraternity generally, the COAST REVIEW sends greeting, wishing you a happy, prosperous New Year, and many of them!

—London is the most profitable of all places in Great Britain for fire business, and this, no doubt, arises from the annexed protective clauses in the Metropolitan Buildings Act, 18 and 19 Vict.: "No timber or wood-work shall be placed in any wall or chimney breast nearer than twelve inches to the inside of any flue or chimney opening; under any chimney opening within eighteen inches from the upper surface of the hearth of such chimney opening; and no wooden plugs shall be driven nearer than six inches to the inside of any flue or chimney opening, nor any iron holdfast or other iron fastening nearer than two inches. No pipe for conveying heated air or steam shall be fixed nearer than six inches to any combustible materials. No pipe for conveying hot water shall be placed nearer than three inches to any combustible materials. No pipe for conveying smoke or other products of combustion shall be fixed nearer than nine inches to any combustible materials. In every public building, and in every other building containing more than 125,000 cubic feet, and used as a dwelling-house for separate families, the floor of the lobbies, corridors, passages and landings, and also the flights of stairs, shall be of stone or other fire-proof material, and carried by supports of a fire-proof material."

—Stephen English, the publisher of the *Insurance Times*, of New York, and the man who sold his soul for thirty thousand dollars, and continues to publish that peculiar kind of blackmail and blackguard that is really too dirty to notice or repeat in a respectable journal, is still whining about the California insurance law and the COAST REVIEW.

CHIPS.

—The insurance editor of the New York *Evening Express* don't like the editor of the *Insurance Herald*, of Chicago.

—Mr. James V. Davenport, Secretary of the American Insurance Company of Newark, is missing.

—The Imperial, of London, Commercial Union, London, Liverpool and Globe, and several American companies, have resumed business in Chicago.

—A bill was introduced into the Vermont Legislature to establish an insurance department, with the Secretary of State and the State Treasurer as commissioners.

—The Fire Commissioners of Chicago have formally adopted Gen. Shaler's plan for the reorganization of the fire department, and requested him to confer with their chief and aid in carrying it out.

—In our next issue we will furnish the regular annual tabular statement of the income and outgo of the fire and marine companies doing business on this Coast. In advance we predict the best showing of gain it has ever been our pleasure to chronicle.

—The Circuit Court of Hamilton County, Ohio, has decided that a mistake as to age, not fraudulent, in an insurance policy, does not vitiate the policy, but is subject to correction, even after the death of the assured, and the beneficiary can then recover the full amount of the policy less the amount due the company if the true age had been given.

—The Western Representatives of our Fireman's Fund Insurance Company, presented the Home office with an elegant New Year's gift in the shape of an Album of imperial size, containing over 150 photographs of the gentlemen comprising the managerial staff and agencies of the Company in the Western Department. The Fireman's Fund have certainly reason to be proud of the men to whom their interests in the field are confided, if the strong yet pleasant faces which grace the album are indicative of the character of the men. The idea of sending their "counterfeit presentments" to the Home officers, is an excellent one, and must render doubly

gratifying the correspondence between them. The Fireman's Fund has made marked progress in the good opinion of its agents, and has developed an esprit du corps which cannot but be potent in its effects upon the prosperity of the Company, and speaks volumes for the ability with which its affairs are handled.

—We have received a neat pamphlet, printed on tinted paper, with handsome cover, entitled "Bankquet to Cornelius Walford," in New York, and contains the doings and sayings of the Underwriters of New York at a banquet in honor of Mr. Walford, at Delmonico's, October 22d, 1874.

—The Allemania Fire Insurance Company of Pittsburgh, with a capital of \$200,000 and assets amounting to \$500,000, is admitted to transact business in New York, and has confided its New York agency to Messrs. Dame & Co., No. 65 Wall Street, who, for the last two decades, have been associated with insurance affairs.

—A London insurance company has issued its prospectus and calls itself the British Colonial and Foreign Property Insurance Co., and proposes making good damage by explosion, inundations, floods, leakages, and otherwise by the action of air, water or explosive matter.

—The United States Life Ins. Co., of New York, John E. De Witt, President, with their usual promptness, has laid before the people their 25th annual statement, which shows the company's assets, Jan. 1st, 1875, to be \$4,422,636, and their liability on same day at \$3,864,132, giving the company a surplus on 4 per cent. basis, as regards policy-holders, of \$558,504.

—Lost, strayed or stolen, the ex-General Superintendent of Agencies of the Republic Life Insurance Co., of Chicago, and ex-2d Vice-President of the Indemnity Union, of San Francisco, Gen. A. S. Gurney. Two dollars and fifty cents will be paid for information of his whereabouts, or three dollars will be paid for the return of the above property, provided the same is in good condition—financially.

—Col. A. G. Hawes, General Agent New York Life Ins. Co. for the Coast, has gone East.

—Mr. H. H. Bigelow, General Manager of the Home Mutual Insurance Co., has gone on a flying trip to Nevada, on business connected with the Nevada agency of his company, or perhaps to pay Brumsey, the Nevada General Agent, a New Years' call.

—We learn that one Butler is working life insurance for the Phoenix Mutual Life, in Washington Territory. This man is the one who was ventilated in the columns of this journal about February, 1873, on page 208. Anyone desiring information as to his conduct and standing, can satisfy their curiosity by referring to the above page.

—The management of the Fireman's Fund seem to have always some pleasant surprise in store for its friends. On Christmas Day it placed in the hands of its agents an elegant "Wall Pocket" bearing the Company's monogram and "Compliments of the Fireman's Fund Insurance Company," with the "Happy New Year" greeting, all in artistic style, done up in blue and gold. We take special pleasure in acknowledging the receipt of one, which, by the way, was immediately appropriated by Mrs. COAST REVIEW, and now graces the walls of our parlor at home.

—On Saturday, January 9th, a fire destroyed the Western Hotel at Sacramento. The loss to our insurance companies was as follows:

L. and Globe.....	\$ 20,000
Home Mutual.....	10,000
Northern.....	5,000
Imperial.....	5,000
Total.....	\$ 40,000

At this fire it is supposed that several lives were lost. The bodies of three unfortunates have been recovered, and it is thought there are more.

—We are informed by Mr. Chalmers, General Agent of the California Insurance Company, that the following gentlemen have been appointed agents of his company during the past month: Mr. D. Baker, Stockton; F. W. Blake, Gilroy; C. G. Lathrop, Hollister; L. D. Holbrook,

Watsonville; A. Manuel, Monterey; Murphy, Shackelford, and McPheeters, Salinas City; Jas. M. Grogan, Modesto; E. T. Dixon, Merced; J. W. Crowley, Visalia; H. McLellan, Los Angeles; Calisher & Co., Anaheim; R. T. Blow, San Bernardino; N. W. Winton, Santa Barbara; H. W. Johnson, Bakersfield.

—Mr. R. H. Harney, General Agent of the Piedmont and Arlington Life Insurance Co. of Richmond, Va., for the Pacific Coast, has gone East on business of a private nature, and the Pacific Coast Agency of the P. & A. is for the present in the hands of J. R. Stockman, Esq., late of Natchez, Miss.

—The *Insurance World*, published by J. C. Bergstresser, has turned up at 104 Fourth Avenue, Pittsburgh, Pa., and contains the advertisements of more "small fry" than any insurance journal in America. Well, there is a demand for more insurance journals in Pennsylvania, and Pittsburg is a good place for one.

—The Phoenix Fire Insurance Company of Hartford, Conn., has resolved to erect for their own accommodation, a handsome and substantial building in Cincinnati, Ohio. Under the judicious management of H. M. Magill and increasing popularity of the old Phoenix the business of the Western department has grown to such proportions that the above move on the part of the officers is one of necessity.

—Since writing a small notice of one man Butler, in another column, we learn that this gentleman is not working for the Phoenix Mutual Life at this time, but has connected himself with M. P. Morse's North Pacific Mutual Life Association—co-derivative-co-operative-Humbug, and all that is necessary now for this institution to become a success is for Morse to send for Fitzgerald; and if Morse, Butler and Fitzgerald can't succeed in humbugging the innocent people of Oregon, then we give it up. Butler's history will be found on page 208, Feb. No. 1873, COAST REVIEW, and as to Morse and Fitzgerald will refer our readers to February, March, April, May, June, July and August No's 1873 of the REVIEW.

—Sir Walter Scott had insurance on his life to the amount of \$100,000 in Scotch companies.

—Messrs. Potter, Jacobs, & Easton, have been appointed Agents of the Traders Insurance Company of Chicago, for this Coast.

—L. C. Owen, Esq., who died at the Stockton Insane Asylum, December 22d, was insured in the Charter Oak Life Insurance Co. for \$10,000.

—The Allemannia Insurance Company of Pittsburgh, Pa., has recently been examined and admitted to do business in the city of New York, and Messrs. J. E. Dame & Co., of No. 65 Wall Street, have been appointed their agents.

—Messrs. Hutchinson, Mann & Smith will accept our thanks for a copy of an elegant lithographic show card, 21 by 26 inches, with solid walnut frame, of the Atlas Ins. Co., of Hartford. This picture represents Atlas supporting the world, and is one of the most artistic, both in design and execution, that we have seen in the shape of an advertisement.

—On the 10th of December, 1874, an incendiary fire at Belmont, Cal., destroyed the residence of G. G. Robinson, causing a loss to the Insurance companies of \$22,416.72. The L. L. and Globe, \$7,472.24; Aetna of Hartford, \$7,472.24; and Union of San Francisco, \$7,472.24. The above-named companies have offered a reward of \$1,000 for the conviction of the perpetrator of this fiendish act.

—At a meeting of the stockholders of the Commercial Insurance Company, of this city, on the 13th inst., the following named gentlemen were chosen directors for the year 1875:

W. W. Dodge, Claus Spreckels, Selden S. Wright, W. B. Cummings, C. W. Kellogg, A. W. Jee, Peter Dean, Jno. H. Wise, C. J. Deering, Levi Stevens, Charles Main, G. L. Bradley, Bartlett Doe, Frank Eastman, J. A. Hooper, W. L. Elliott, A. J. Pope and James Phelan, of San Francisco; and D. H. Haskell, H. S.

Crocker, N. D. Thayer and F. S. Freeman, of Sacramento.

These men are all widely known in business circles; the stockholders could not have selected a better board.

—We will give in our next issue the standing of the State Investment, Home Mutual, California and Union Ins. Co's on Jan. 1st.

—We are under obligations to the Insurance Commissioner of Maryland for a copy of the insurance report of December 1st, 1874.

—Messrs. Henry Balzer & Company, agents "Svea" Fire Insurance Company, and Switzerland Marine Insurance Company, have removed their office to No. 213 Sansome Street, where they have fitted up a very roomy and convenient office.

—The motion for a new trial of Halfman, late President of the Central Fire Insurance Company, convicted of raising certificates of stock, was denied, and the Court sentenced him to seven and a half years' confinement. His associate, Ripley, convicted of forgery, was sentenced to nine and a half years.

—On the 14th inst., the directors of the Commercial Insurance Company met at the office of the company in this city and very wisely re-elected the old officers, C. W. Kellogg, President, and Chas. A. Laton, Secretary. The company could not have selected more efficient officers.

—At a meeting of the stockholders of the Fireman's Fund Insurance Company, on the 12th inst., at the office of the Company in this city, the retiring board was unanimously re-elected, as follows: P. Sather, John O. Earl, John Barton, Alpheus Bull, Wm. Blackwood, John H. Gardiner, George C. Hickox, Lewis Soher, Stephen W. Dick, M. Lynch, D. J. Staples; and on the following day the Directors met and re-elected the same staff of officers, as follows: D. J. Staples, President; Alpheus Bull, Vice-President; Geo. D. Dornin, Secretary; Wm. J. Dutton, Assistant Secretary. This sounds very much like the stockholders are satisfied with the present management of the Fireman's Fund, and we think they should be.

—The Baltimore and Ohio Insurance Company, Wheeling, W. Va., is just organized, with assets amounting to \$500,000, the disposition of which is thus stated in its circular:

Cash.....	\$25,000.00
1st mortgage gold bonds.....	100,000.00
1st mortgage on real estate worth double the amount mortgaged.....	125,000.00
Bills receivable, secured by mortgages and otherwise.....	250,000.00
Total.....	\$500,000.00

—The *Index*, published at Boston and Cincinnati, and edited by THREE men, has much interesting insurance matter in the November number of that journal. These wise and extremely knowing editors devote much space to the correction of a typographical error in the November number of the *COAST REVIEW*, and to many other interesting subjects to the insurance fraternity.

—There is a move on foot to have the city authorities keep for use a Babcock Fire Extinguisher at or near each fire-alarm station in the city. The Board of Underwriters having recommended the above to the Fire and Water Committee. We hope the project will be carried through, as it will undoubtedly be money well spent. An Extinguisher placed as above would be of great service in extinguishing fires when they first originate, and thereby prevent in many cases the loss of much property.

—Our old friend, G. A. Crofutt, publisher of *Crofutt's Trans-Continental Guide* and *Crofutt's Western World*, has disposed of his interest in the *World*, and made himself proprietor of the Park Hotel, New York, where he will be glad to see his old friends at any and all times. We say he will be glad to see them, for two reasons—first, because he *wants* to see them, for old friendship's sake, and secondly, because he is proprietor of the Park Hotel, and can feed and sleep them at as low a figure as anyone else; and then one has Crofutt to talk with when at the Park, which is a good treat to any who are so fortunate as to know him; and we can assure any who do not know him that they will not regret making his acquaintance.

—The Board of Underwriters have appointed Mr. Wm. MacDonald, Surveyor for that body, and he is now rating San Francisco on the schedule system. It is proposed in time to rate every town of importance on this Coast by this plan, which is acknowledged the most just and free from contrariety.

—Julius L. Clark, Insurance Commissioner of Massachusetts, has resigned his position on account of failing health, and the vacancy has been filled by the appointment of Mr. Rhodes, the former deputy.

Mr. Clark had some peculiar notions about insurance matters, yet on the whole, his head was not far from being clear on all important points. He has given to the insurance world some very able reports and made many valuable suggestions, some of which it would be well for many of our insurance managers to heed.

—Somebody says the Sunbury Fire Insurance Company, of Pennsylvania, has been re-organized, and that a Mr. Pool has taken one hundred thousand dollars of the stock. The *Insurance World*, of Pittsburg, says if this is so it pities poor Pool. If this is the Pool we think it is, we pity the poor company, and assure our readers and the other stockholders of the Sunbury, that the longer poor Pool remains with the company the poorer the poor thing will be. There are two or three kinds of Pools. "Charity will hardly water the ground where it must first fill a pool."

—The *Insurance Herald*, of Chicago, says some very bad things about George Cohen, the publisher of the *Insurance Press*, of that city. Cohen, in his December issue, asks that those who do not know him, suspend judgment for a short time.

If these charges are true, it puts Mr. Cohen in rather a bad light as an insurance editor, and should they turn out true, all respectable companies, and individuals too, for that matter, should withdraw their patronage immediately, and if they turn out untrue, then the *Herald* man stands in a bad light.

—The New Jersey Fire and Marine Insurance Company is closing its affairs.

—The companies belonging to the Chamber of Life Insurance—29 in number—paid during the month of November death claims to the amount of \$1,388,821, and matured endowments to the amount of \$72,955.

—Mr. G. N. Reynolds, the Philadelphia General Agent of the Union Mutual Life Insurance Company of Boston, sent from his Agency during eleven months of 1874, 888 applications, covering \$2,493,500 insurance. This is an *excellent* business and a few more G. N. R's. would not be a bad thing for the Union Mutual, or any other company to have around.

The Union Mutual, issued 1,645 more policies in 1874 than 1873.

—The *United States Insurance Gazette*, and *United States Insurance Advertiser*, bound together by one tie—Mr. G. E. Currie,—for November, has reached us, and contains much of the latest news on matters pertaining to Insurance, such as a letter from Mr. Lewis, Secretary Chamber of Life Insurance, to the COAST REVIEW, published in our August Number, and the proceedings of the National Insurance Convention, held at Detroit, Michigan, September 2d, 1874, together with other news of a late date. Correct, Brother Currie; nothing like enterprise. We shall expect an account of the Chicago fire in your December issue.

—It seems that Philadelphia is the headquarters of Insurance forgers, defaulters, wild cat companies, blackmailing Insurance Editors, etc., etc. Harry Prindle got away with the assets of the bogus Peoples; George F. Hilt is in trouble for forging bonds and other disreputable transactions, as Treasurer and Secretary of the wildcat Safeguard Insurance Company. Caverly has been in trouble for trying to blackmail Cartright. W. D. Halfman, late of the Central Fire Insurance Company, of Philadelphia, has been convicted of making and uttering forged instruments, consisting of stock certificates, and exhibiting the same to the Insurance Commissioners of Pennsylvania as assets of his Company. Who comes next?

—It is said that Paul Cornell, one of the stockholders of the defunct Atlantic and Pacific Insurance Company, loaned to that institution \$40,000 in bond and mortgage assets, to assist that concern in passing examination, and afterwards withdrew his pledge. But the receiver of the Atlantic and Pacific has called on Mr. Cornell for the pledge.

—We call attention of life agents to the advertisement of the Trust Fund Insurance Association and General Insurance Agency, to be found in this issue. This plan of paying premiums, if carried out as commenced, will prove beneficial to the policy-holder and the solicitor, as it furnishes to the policy-holder a deposit in the Savings Bank, a certificate of which is issued to him on the payment of each annual premium after the first year, and to the solicitor the Association can pay a brokerage on first year's premium much larger than any life company. This Association was organized in September last, with one hundred thousand dollars cash capital, and the plan has met with a success beyond the most sanguine expectations of the managers.

—The burning of the Pacific Mail Steamer *Japan*, twelve miles off the coast of China, forty miles from Swatow, on the 17th of last month, caused a loss to the Insurance Companies which will, with some of them at least, reduce the dividends of December. The total value of cargo and treasure was \$463,000, with \$174,000 insured abroad. The Companies represented in San Francisco were "stuck" for the amount set opposite their names, less any "salvage" that may be made by the adjustment:

Home Mutual, San Francisco.....	\$26,000
Union, San Francisco.....	21,000
Swiss Lloyd.....	52,000
Yángtze.....	60,120
China Traders.....	48,500
China and Japan.....	13,500
Chinese Insurance Company.....	49,800

There was also \$150,000 insurance on the hull, in Foreign Companies. The *Japan* was one of the wooden ships of the Company, built in 1867, and was 385 feet long. This is the ninth steamer the company has lost in 28 years.

—We have received Vol. I, No. 1, of the *Insurance Critic*, published by Reed and Reed, Chicago, which has for its motto: "*Bold, Aggressive, Just*," and says, "Devoted to Legitimate Insurance," and heads each article in the first number with large display type, more adapted to Circus bills than anything we can think of. There is a great demand in Chicago for Insurance Journals, and we presume the *Critic* will do well.

—In our February number we will give, as far as possible, the business of the Life Companies on this Coast. The unwise legislation of last winter having driven from our Coast all the Companies except the New England Mutual, Union Mutual, National Life, and Pacific Mutual, the business will as a matter of course be small, compared to that of previous years.

We hope, however, before our February number of 1876 is issued, to see all our responsible companies doing an active business on the Coast, feeling confident that our next Legislature will see the folly of such laws as are now on our statute books, and soon as possible repeal them.

—Messrs. J. A. Melcher & Son, the energetic General Agents of the Northwestern Mutual Life, for the Pacific Coast, have been ordered to report to headquarters of their Company, in Milwaukee, and on the 23d of December, left this city for the above point. The obnoxious laws of the State drove the Northwestern, with other Companies, from California, hence this move on the part of the Northwestern. Messrs. Melcher & Son have been connected with the Company since 1866, having charge of the Alabama Department until 1872, when they came to this Coast, where they have made many warm friends, and won for themselves a reputation for honesty and uprightness in all business matters, and we with many others regret the loss of these *representative* Insurance men, social and genial gentlemen. We wish them success in their new field, and hope to see them, soon, the Pacific Coast representatives of the Northwestern, or some other good Company.

—Hon. Ed. Russell, the Insurance Commissioner of Kansas, has resigned his position to accept the secretaryship of the Kansas Fire Insurance Co. of Leavenworth. Mr. R. was an efficient commissioner and filled his office to the satisfaction of all concerned, unless, perhaps, some wild-cat companies, and we have no doubt that he will be a valuable accession to the Kansas Fire Insurance Co.

—Mr. Heber Smith, formerly Vice President of the Northwestern Mutual Life Insurance Company, but more recently connected with the Globe Mutual of New York, has been elected President of the Safety Deposit Life Insurance Company of Chicago. Mr. Smith is a live man, and fully competent to manage the Agency Department of any company, and if anything can be made out of the Safety Deposit, Mr. S. will make it.

—Mr. Geo. A. Crofutt, publisher of *Crofutt's Western World*, a monthly 16-page journal, devoted to the interest of the Western country, has retired from the publishing business, and the *Western World* and the *South* have been consolidated under the name of *The South*, published by the South Publishing Co., cor. Fulton and Church Streets, New York City. The *South* is a weekly 8-page paper, heretofore devoted to the interests of the South and Southwest, but in future will include all the Western country, and will be sent to the old subscribers of *Crofutt's Western World*, a change which we think should satisfy the *World* subscribers as the *South* is a weekly, and from the number before us, would judge that it is ably edited, and to all intents and purposes will take the place of the *World*.

We regret losing our old friend, Crofutt, from the publishing staff, but he tells us that the press of other business compels him to give up publishing, and we must be content with the loss in hopes that the change is better for him, if not for his many thousands friends in the Far West, who know him well, and speak his name with the familiarity of one of the family.

—Mr. H. W. Snow, for some years past Special Agent of the Hartford Insurance Company, has joined Oliver Hawes, under the firm name of Hawes & Snow, Fire and Marine Insurance Agent, with office at No. 317 California Street. These gentlemen represent the St. Joseph Fire and Marine Insurance Company of St. Joseph, Mo., and the Connecticut Fire Insurance Company of Hartford, Conn. Both are Companies of unquestionable security, and are National Board Companies. While connected with the Hartford, Mr. Snow had considerable experience in the country business, and we believe the agency is already extending their business to some of the best interior towns.

—Mr. O. W. Chapman, Insurance Commissioner of New York, has issued the following circular to the insurance companies:

*To the President or Secretary of the——
Ins. Co. of——*

Dear Sir: I intend to request the next Legislature to pass an Act which will enable me to reduce or remit all Department charges against Insurance Companies, for the year 1875, except such as I am compelled to collect under what is known as the Reciprocal Law.

Will you oblige me, therefore, by not forwarding money to this Department for anything accruing after January 1st, 1875, until you shall receive a notice from me specifying the amount.

Be sure and have this go into the hands of the proper officers or clerks of your Company, so as to prevent remittances for anything accruing after that date, as they will only be returned, till such time as the Legislature shall act on the Bill above referred to.

Very respectfully yours,

ORLOW W. CHAPMAN,
Superintendent.

—We have received a copy of a report on Savings Banks and Life Insurance, made to the Boston Board of Trade by a committee appointed for that purpose. As Elizur Wright was one of the committee, it is not difficult to determine who the father of this

report is. The principal feature in this document is to unite the Savings Bank and Life Insurance business and at the same time separate the two by keeping a separate account with the deposit portion of the premium and the Insurance fund, applying only such portion of the premium to the insurance as is necessary to carry the risk, and giving a certificate of deposit for the remainder, all of which is good enough if they can convince the people that it will be to their interest to “spontaneously” come forward and insure, thereby saving agency expenses; to do which Mr. Wright well knows would be impossible, as people do not insure “spontaneously” without being solicited, and the agent is the one who does the work in nearly all cases. Therefore, to do away with the expense of agents virtually does away with the insurance branch of Mr. Wright’s “American Family Bank.”

—Of the value of life insurance the *North-western Review* says:

“The value of life insurance as an investment was probably never more fully demonstrated than in the case of the Prince Imperial of France. When the Prince was born, Napoleon, like a wise and far-seeing parent, placed a very large endowment insurance upon the life of his son, to be paid when the young gentleman should attain his majority. Time sped on, the premiums were promptly paid, while the young Prince enjoyed every luxury that wealth and station could possibly command. Apparently every earthly want of the Prince had been most amply provided for, wholly independently of his life insurance investments. But about two years previous to the date of maturity of these endowment policies, a great change came over the worldly prospects of the Prince Imperial. Suddenly a threatening war-cloud appeared upon the European horizon, which rapidly expanded until it spread its mantle of gloom over the entire continent. Behind that cloud of war the sun of Austria sank to rise no more, behind the blood-stained hills of Sedan. The Emperor was hurled from his throne and became a poor exile, but he had provided for his son.”

MINING AND METALLURGY.

Mining Enterprise.

(From the *Mining World*.)

The meaning of the term Mining Enterprise, as generally understood, is very different from what it has practically become in our great centres of business and commerce. It may now be divided into underground and surface operations. The latter are those carried on chiefly at the offices of the undertakings. In many cases they have little, sometimes nothing, to do with minerals, except in the form of coin of the realm, but are the prolific sources of gain to a certain class of speculators, who confine their exertions to this kind of affairs. In order to start such a concern, it is necessary to get possession of a piece of land in a district where minerals are known to exist. If a few holes have been made, and some stuff, whether good or bad, does not matter, brought to grass, so much the better. A captain with a scriptural name has next to be sought out, and sent down to visit and report on the property. Occasionally a brace of these gentlemen are employed, and a civil or mining engineer superadded to give greater weight to their statements. The force of the latter is, of course, determined by the amount paid, and an extra payment will generally procure the much-desired assurance that during a long career the visitors have rarely seen a more truly promising sett. There are, of course, men who would scorn to state what they did not conscientiously believe, but they are naturally not selected, and to the general public a Joel or a Jerushah with a Cornish patronymic goes down with the best. Having got

thus far, a certain sum—the more the better—is raised by shares, and if possible recruited and extended by debentures. The affair is now floated. Months and years pass away. Reports are regularly sent in by the agent, giving an account of the progress made, and the brilliant prospects which a little further working and expense must be sure to realise. Sometimes a lucky hit makes the mine turn out a success; but in this case, if the promoters are wise in their generation, they manage, before much is known of it, to have the concern wound up and brought to the hammer. They thus obtain the opportunity of securing it again for a trifle, with all the machinery erected and work done at heavy costs. It can then be re-sold to another body of adventurers at a fair advance, having been in the meantime re-baptised and brought out under a fresh title. There are, indeed, several well-known concerns which have been made to undergo this purifying process several times with handsome profits to all interested, except, perhaps, the shareholders. The latter, however, have only themselves to thank for selecting to stand in this relation to the concern, and thus inviting the greedy or the needy to plunder them at their leisure. Under any circumstances, it must be consoling to them to know and feel the good they are doing to a set of hard working and, according to their lights, meritorious persons. Throughout all creation the system of one class of beings preying on another is the known order of things, and in finance shareholders and lenders furnish the flocks whose fleeces and substance nourish and support the financier. This is not the case in mining alone, which only participates in and

follows the movement general in a certain kind of joint-stock business. It is a wise dispensation of Providence, which has in this manner supplied the means of existence to a considerable portion of the community, who, by the exercise of skill and ingenuity contrive to compel the remainder to purvey for their necessities, and judging from the appearance of the former, they manage to make the thing tolerably profitable. The only pity is that, in the exercise of their calling, those who bring out so-called mining concerns cannot dispense with mines altogether, as they would in this manner be able to make considerable economies, and the public need be none the wiser. Of all the impediments to business none have had a more seriously injurious effect than those stupid prosecutions undertaken by persons who will not understand that it is their duty to submit quietly to losing their money, as it is to paying their rates and taxes, though some individuals are unreasonable enough to wish to pay nothing.

A very good idea, which has been made to do excellent service, is to get possession of some old property. The longer the period since which it has been out of working the better, as it may be got cheaper, and gives, besides, greater scope to the imaginative powers of the promoters. In such a case the profits and glories of the past can be safely referred to, as there will be nobody to refute any statements made. If the old workers, supposing they did more than sink a few wells, have accumulated sizeable heaps of rubbish, these may be referred to, as showing the extent of operations at some far remote period; and it is on record that an old well, the dirt—to use a contractor's expression—from a cutting made for a public road, a few barrowsful of tolerable ore, brought from some place where lodes existed, and a good report, were sufficient to start a flourishing concern. The clever proprietors managed, in fact, to get a large sum from a mining company, which afterwards spent a good deal of money in erecting costly machinery in their endeavours to create a mine, for to find one they were most unlikely. After a time the

benighted adventurers came at last to the conclusion that the sett was worthless, but not being quite so bright of device as those who had at first promoted the undertaking, they went into liquidation, and may, perhaps, be there now for all that can be learned about them. In this instance ingenuity and daring gained a well-earned reward, and nobody except the investors lost. That many and most valuable old setts exist which would repay any money laid out on them is not to be doubted, but for the purpose of the typical financial promoter such properties can have little attraction. They cost in the first place too much to commence with, and are also too likely to become good bona fide concerns to present the opportunities for pickings, which are afforded by an unsuccessful speculation with its concomitant winding-up and sale of effects. To make capital out of an old and exhausted mine is one of the most interesting operations in which promoters can be engaged. A dash of history, a few touches of the pathetic, a brilliant recital of the immense returns of the district in bygone ages, and a carefully worded suggestion that it was from the very sett being offered to the public, are the basis of the prospectus which is to take the world by storm. It may happen, does, indeed, often happen, that the appeal meets with but a lukewarm response, but the money got in must be secured at any cost and an allotment is proceeded to without further delay. Those who have started the company have now an opportunity of getting possession of a good part at least of the coin, and with the remainder extensive operations are at once set on foot. Engines are bought, shafts sunk, adits driven, at least on paper, and the affair goes on gaily and successfully for a time. Very comfortable profits are in the meantime made by those concerned in everything purchased, and on all the work done, though the less of this actually accomplished so much the better. The moment at length arrives when the funds are exhausted, and it is here that the genius of the promoter shines forth in extracting, by bold and plausible appeals, still further sums from the pockets of un-

willing investors. Sometimes it is the shareholders who are made to contribute, at others the general public, but in all cases the tactics pursued are similar. The machinery erected is stated to be doing its work admirably; the underground operations are said to have been carried out most successfully; every indication of the proximity of rich lodes is reported to be presented by the appearance of the ground, and the heavy rush of water; and a little more money is all the public are told that is required to make the sett turn out a most brilliant success.

So far, we have never traveled beyond the three kingdoms, but to the truly speculative mind, such limits offer too restricted a field for the conquests of genius. The Colonies have, consequently, been ransacked, and other lands been brought under contribution. None, however, has proved so attractive or made such great returns as the United States. Rich in minerals, as many parts of that country undoubtedly are, the colouring dashed on with a free hand by those who have launched American mines in this market, has painted other and far different districts in even brighter tints. Here the learned geologist, the famed professor, has been enlisted in the cause, and specious scientific terms used to bewilder the would-be shareholder by the wily vendors. It is, indeed, a study worthy of a master mind to trace the admirable manner in which mines of comparatively little value have been made to do duty for Eldorados, and have drained the pockets of numerous capitalists. The latter, however, is the look out of the capitalists, and we may leave them out of our calculations, at least for the present. What we have to consider is the manner in which such properties have been introduced to public notice, and how they have been afterwards manipulated. A certain cookery book, in giving the recipe for making hare soup, commences with recommending that the hare be first caught. In mines, whether in America or elsewhere, it is generally advisable that a mine be at the outset procured, though whether there be any ores in it or not is a question of second-

ary importance. Admitting that the mine has been obtained, and there ought to be little difficulty in doing so—for are there not numbers of our American cousins even now pressing on us valuable setts for sale—the next step is to have it properly recommended. This the military man, colonel or general (for they have generally some designation of the kind), to whom the sale of the property has been entrusted by his confiding countrymen, undertakes to have done for a consideration. For this purpose he engages the services of some distinguished philosopher, aided by a Old Testament-named practical miner, who is employed to substantiate the assertions of the former by the help of a knowledge acquired by practice and a good habit of asseverating all that is required of him. It may not be out of place to inquire at some future period why it should be that on the other as well as on this side of the Atlantic, the Scriptures should be called upon to furnish names for those engaged in mining. Having got thus far, the only thing remaining to be done is to induce the British public to take up the affair, and if they refuse to do so the best step to be taken has always proved by experience to be raising the price of the concern. The wise promoter also gets over quantities of rich specimens, and begins at the outset by stating that in order to utilize so fine a property mills and appliances for smelting on the spot must absolutely be erected. The affair, if this part of the business is properly conducted, may be considered done, and the same may for the most part be confidently reported of the shareholders. A great point for a wise and cautious starter of such companies is to be careful to keep his own name in the background, because if some cantankerous persons—and we know the wicked never cease from troubling—should cause any unpleasant inquiries, he can throw the odium on others. This is an invaluable receipt, and should never be lost sight of even for a moment. But our limits are drawing to a close, and we regret being compelled to quit so pleasant a subject.

[From the Mining Review.]

SOME POINTS ON AMALGAMATION.

Amalgamation, either raw, or combined with roasting and chlorination has obtained such a foothold in the economy of silver and gold production, that it may be accounted as almost heretical to say aught against it. An essay on "Amalgamation as a means of Grace," would, to the generality of millmen, be much more palatable; but there is certain advantage, as well as wisdom in considering these vital subjects dispassionately, while the country is yet in a transition state, and before systems of reduction are finally adopted that may in time be found not applicable as a rule to the ores produced.

In Colorado, raw amalgamation can only be applied to gold ores, and to those classes of silver minerals as are not combined with large amounts of sulphur, as the chlorides, bromides, tellurides, &c. This latter class, covering a very minute portion of our production, may practically be overlooked, and it can be fairly said that all of our silver ores, and about one-tenth of our gold ore yield must be submitted to roasting at last, and (in the case of silver ores) to chlorination, before amalgamation can be carried on. This being the case, it becomes a question of considerable importance, as to whether that system will prove of advantage when the mines are opened to such an extent that the character of ore that will be produced is known, and when custom mills must be built with a view of buying any and all ores mined. To examine this question fairly, a cursory resume of the raw material furnished to the several beneficiating centres will be needed. In the north we have two natural reducing centres, viz. Middle Boulder, and Boulder City. Following down on the tier of mountain counties, are found Black Hawk, Golden, Georgetown, Montezuma, Breckenridge, Montgomery Gulch (Alma & Dudley), Oro City and Granite, Canon City, Del Norte, and the Animas Park.

Each of these is a natural centre for the

treatment of ores, and those that have not already, will in time become, the seat of extensive metallurgical works. The ores that are now furnished at Middle Boulder are principally silver minerals (sulphuretted or native) combined on an average with from 5 to 8 per cent. lead, 2 to 10 per cent. of copper, no zinc, and a small proportion of iron.

Of all silver districts opened to any extent in the Territory, this is perhaps the one most suited for amalgamation works, there being not copper enough for matte production, nor lead sufficient for lead reduction. Boulder City will receive the ores from Gold Hill, Ward, and Jamestown, and which are principally auriferous, rich in iron pyrites, cumbered often with zinc enough to bother the smelter, and too little lead to be of any aid to him.

Black Hawk, in the centre of a gold region rich in copper, and Golden, at the mouth of Clear Creek, where the yield of two counties can be most advantageously handled, will never resort to such a special process as chlorination and amalgamation, and can be passed on without further comment. Ores brought to Georgetown, have been found to carry on an average about 10 per cent. of lead, 8 per cent. zinc, little or no copper or iron, and silver minerals always highly sulphuretted. There are a large number of mines that will yield 20 to 50 per cent. lead and zinc, and a very few, if any, whose ores, except on or near the surface, are not highly charged with these metals. Montezuma and the valley of the Blue River, although very much underrated at present, are really the most productive base metal areas in Colorado. In the former the ores are exceedingly heavy, usually carrying both zinc and lead, with enough of the former to drive an amateur metallurgist crazy, and of both to make it a perfect Elysium for the separator. Here and on the eastern edge of the Main Divide, in Hall's and adjoining gulches, as we follow the Colorado mineral belt southwest, baryta in large quantities first makes its appearance in the gangue, and adds further to the difficulties of beneficiating. In the upper

Blue Valley, lead, quite free from zinc, is found, but as the limestone and sandstone strata of the South Park are approached, ores of the base metals are found in less quantity and with more irregularity, and minerals of a more simple composition, (the result, perhaps, of their sedimentary deposition) are reached.

The South Park ores proper (yielded by the mines of the east slope of the Mosquito Range) carry but little base metal except copper and iron. Occasionally, as in localities like the Horseshoe, deposits of galena are found in the limestones, and doubtless enough *can* be produced from these to render lead smelting possible. All ores as yet found are, however, sulphuretted to the last degree, and require calcination or roasting before treatment. On the opposite side of this range, among the head waters of the Arkansas, the same belt of lodes that are worked in the Blue Valley and Ten Mile Districts appears again, but following the river down, pyrites of copper and iron, carrying gold, take the place of the argentiferous lead and zinc.

A distinctive characteristic of the mines at the extreme upper waters of the Arkansas, is the occurrence of nickel in small but increasing quantities.

Passing southward, a break occurs in the Colorado mineral belt, of about 150 miles, until the Saguache and Uncompaghe Ranges are reached, and the chaos of upturned granites along the upper Rio Grande, Del Norte, and Las Animas. This break is itself broken by scattered discoveries, such as have taken place in the Greenhorn and other ranges, but the older formations of rock, such as carry gold, silver and the base metals in fissure veins, are at this point overlaid by the sedimentary rocks of the plains for a much farther distance west than in the latitude of Golden and Boulder. At the San Juan district, however, a full development of the mineral belt occurs again, and to as great an extent as anywhere in Colorado. The full complement of the metals that distinguishes her other precious metal districts is here found, and the same heterogeneous combinations. Lead, Zinc, Iron, Copper,

Arsenic, and Antimony, with a very generous admixture of sulphur everywhere, rich in some places in gold, and in others in silver, completes the Colorado belt; a line of fissure lodes only broken by the deposits of the Mosquito Range, that are as rich in metals of all kinds as any in the United States.

It will be seen, therefore, that, setting aside those gold ores which can be treated by battery amalgamation, all Colorado ores require roasting, for no metallurgical process now in vogue can proceed until sulphur is driven off. After ores are oxidized, either they must be smelted to a copper matte or a lead product, or prepared for amalgamation. The latter process must be preceded by chlorination, as mercury will not combine with silver while in the state of an oxide. Here the question naturally forces itself upon the mind, whether in a country so richly endowed with base metals (lead and copper) with which to form a matte or a fusible slag, the intermediary process of chlorination is not a waste, if amalgamation is no more costly than reduction to metal.

The defects of the amalgamation system are evident. Unless combined with the costly lixiviation process, lead and copper are lost, and before many years these are to constitute the basis of profit to the mill man. If he cannot treat them, other works who can will take his ores, leaving him only such light material as carries little or none of the base metals, a class of ore already very small in quantity. In addition is the extra expense of chlorination, which is already costing the county, if all the amalgamation works were running to their full capacity, something over \$100,000 per year in salt alone, and about \$50,000 in quicksilver lost. Experience has also shown that a very high percentage of precious metal cannot be extracted by amalgamation, especially where lead, copper and zinc are abundant, and the very careful roasting which has to precede that operation is not favorable to a rapid handling of stock.

The San Francisco "Call" and "Bulletin."

The San Francisco *Stock Report* of December 18th, speaks as follows concerning the above enterprising dailies:

"In yesterday's issue, the *Call* gave what it calls an exhaustive article on the stock and mining question. Knowing the *Call*, of old, we expect as a matter of course a false statement, or the usual predictions of coming misfortune to the great vital business which is giving San Francisco a high stand among the leading capitals of the world, and placing its mining capitalists in the foremost ranks of the merchant princes of the present century. But though we are satisfied that the *Call* and *Bulletin* would not give a mining statement, if it was not to attack this interest, we were not prepared to read a statement so deliberately false and given with such explanations and comments as to intentionally mislead any one who did not know any better. In this article, we find the statement made that the gross bullion yield of the Western States and Territories for the past quarter of a century amounts to \$1,600,000,000. In the next sentence we are told that every dollar of this sum has cost for extraction dollar for dollar—and in the following sentence is stated that the net profits of the Comstock since its discovery to the present day is exactly \$25,000,000 and no more, the balance of the yield—say \$275,000,000—having been paid for labor, machinery, and the thousand other industries fostered, originated, developed and matured from this great parent source and so far inexhaustible depository of wealth. Was there no profit out of that \$275,000,000 which paid our iron foundries, mill men, Front street grocers, liquor and commission houses—was all the expenditure of this enormous sum without profit to the city of San Francisco particularly and the world at large? When two prominent journals deliberately falsify and apparently endorse statements to go broadcast through the land, what wonder if our capitalists are looked upon with suspicion as sharpers, and should be given a wide berth to as the wisest dictate of good sense?

The journals referred to as making this statement—of course we name the *Call* and *Bulletin* as one—knew that out of the proceeds of the Comstock lode the expenditure of the remaining \$275,000,000 gave employment and profit to hundreds of thousands throughout the whole United States, and that millions of this money found its way to Europe, giving employment and profit there also in the shape of wages for artisans, iron and coal workers, engineers and manufacturers, satisfying and encouraging alike both workman and capitalist. Need we to-day ask any intelligent merchant, manufacturer, or any one who has the smallest idea or knowledge of trade or finance? Can results detrimental to our city arise from this mining business which we control, and from which we are yearly receiving such a golden stream of unparalleled wealth. There is not an intelligent man in the community could answer this question in the negative. We are informed by the *Chronicle* and *Post* that no intelligent people read the *Call*, and that the *Bulletin* is dying a certain, slow death. There is one thing certain, that when public journals take such a stand as the *Call* and *Bulletin* have in this business—so narrow, prejudiced, illogical and small, that they will neither reap permanent profit nor prosperity—for the facts in the Comstock case are matters of public record, and truth will prevail. In the case of the San Francisco *Stock Report*, though claiming to be devoted to the mining interest, we never believed that all the profits of the business should solely belong to brokers and stock dealers. Nor do we believe that this hard-worked profession get over an average recompense for their time and capital and the anxiety endured.

We take a broader and more comprehensive view of this mining question, swayed neither by prejudice nor influenced because of some obnoxious practices—looking to the great future secured to our city and State, and honestly acknowledging that the crowning enterprise, the great investment which has sealed our aspiration as the Queen City of the western slope of America's Continent, has been secured us through mining

and stock business. In every trade, profession, enterprise, manufactory and real estate investment, the sinews of its prosecution have almost invariably come from this mining source, thus giving profits on profits through the whole community. We would not really like to believe that Messrs. Pickering and Fitch accept of a sum of gold coin for giving false views in stock articles, yet we remember distinctly that about the first day of June last they advised all very earnestly to sell Ophir at \$8 per share. A hundred shares sold under the confidential advice of the Call, netted then \$800; to-day it would have just given the snug little fortune of \$15,000, with the prospect of going higher. So much at present for the *Call* and *Bulletin's* advice in stocks."

Pioneers of Civilization.

The gallant pioneer is the noblest type of American manhood. He climbs like a huge fly upon the bald summit of some lofty mountain, and the primeval hills welcome his daring footsteps. He taps with the prospector's pick at the adamantine doors of the earth's treasure chambers, and at his demand they reveal their shining secrets. His glittering ax lays low the green-plumed forest monarchs, and on the surface of the emerald-hued prairies he marks the sites of cities yet to be. Not for him the science of the school; not for him the graces of culture; not for him the sweet solaces of life. But he reads the story of the ages written upon the silent rocks and hears the tale of mysterious forces whispered by the midnight stars, and the priest-robed mountains and the smiling lakes and the white-lipped sunset seas are his palaces and his kindred. Southward you shall behold him, undaunted by the roar of the Colorado, of the stealthy step of the Apache, pressing onward to listen to the wash of the tropic waters. Northward his resolute face is turned toward the wooing mountains of crystal until the North Star gleams like a mighty diamond in its gold and crimson setting of Northern lights, and the sullen sun but for an hour hangs upon the verge of the polar night, a faint

reminder of the lost southern clime, while the booming artillery of the Ice King hails the pioneer of polar seas. Westward—ah! there is no longer a West. The iron lace with which progress fringes her garments, reaches now to where the Golden Gate swings back upon its hinges. Asia and the farther Indies are just beyond, and the Orient of Europe is the Occident of America.

And still from the silver and the orange blossoms of cactus-fringed and snow crowned Mexico, northward to where the icebergs glitter against the Arctic sky, our pioneers are marching and toiling. In the track which their fierce feet are breaking, our country marches onward to her greatness. The army of civilization swells upon their pathway. Art, science, progress, the wealth of nations, the power and glory of the Republic follow. All honor and all hail to those brave hearts who lead the vanguard.—*Owyhee Avalanche.*

Panamint.

During a recent visit to Panamint we took occasion to make as thorough an examination of a number of its ledges as could be done in three days' climbing and by hammering croppings at short intervals from the beginning of one location, though step by step, to the next and the next. The result of this persistent hammering and breaking rock was to prove conclusively that there is scarcely a point in all that vast range of exposed quartz where "metal" in fair quantities, varying from a "color" to \$2,000 to the ton cannot be found. It appears as though there was no portion of the croppings in the limestone formation that was not more or less impregnated with mineral. Nor is there an opening anywhere that does not show a pay streak of a few inches in width of very high grade ore.

As our examination extended over several miles of croppings, with almost uniform results wherever broken into, no matter how unpromising in outward appearance, we conclude that there is enough near surface ore close to Surprise Canyon to maintain quite a city for half a dozen years or more to come. There need be no fears on this:

point. But it is prophesied by White Piners and others that since the best and greater portion of the mines lie in limestone, the bottom will soon be reached—that no pay ore will be found at any considerable depth. Such may prove to be the case, but there is no reason obvious to a common understanding why it should. On the contrary, it would seem to be an almost absolute certainty that the pay ore runs down to immense depths.

There can be no question that these are true fissure veins. They may be divided into two distinct veins: the mother vein in the north side of the canyon, known as the Jacob and Stewart's Wonder, cuts straight across deep gulches and lofty hills for at least a mile and a half, scarcely without a break in its whole length, the only perceptible difference in the prospect, whether made at the lowest point of depression or the highest elevation. The same is true of the other grand vein, which, from its most noted location, may be called the Wyoming series. This lies on the opposite side of the canyon, with which and the Wonder ledge it runs nearly parallel but at a greater altitude. This ledge is cut down at least a thousand feet deep in one place and about half as deep in several others. It cuts far into the slate on the east, the only portion that appears to be barren, and extends over two miles southwesterly across deep gulches through the lime into still another formation. Branching from it are numerous ledges, all large and showing high grade ores, these in turn cutting across hill and gulch a mile down to the main canyon itself. Counting these numerous spurs, the connection of which are easily traced, this mother vein exposes several miles of the very richest croppings. At the lowest depth yet attained, which is on the Wyoming, and is about fifty feet, we saw rock taken which assayed \$915 to the ton, and there was apparently plenty of it. The next lowest, about twenty feet, on the Esperanza, a large spur or cross ledge, there was about a foot of \$325 rock. These are fair average assays of the pay streak proper in hundreds of openings throughout the district. The same

openings show from ten to twenty times as much ore which will probably average \$50 to the ton—a class of ore which, with available facilities, can be worked to a fair profit. Outside of these two veins are numerous other locations, none of which we saw, but one or two of which, if no more, are said to be quite as promising as the best of the series. One of these is the Sunrise, lying in the slate, and possibly the eastern extension of the Wyoming. The Sunrise is the only prominent mine yielding free milling ores—all chlorides. But lack of space forbids any notice in detail of even the most prominent locations of the district.

Owing to the nature of the ground, the town site of Panamint is somewhat circumscribed, but much less so than is commonly reported. There is room there for a city of at least 10,000 without uncomfortable crowding. Its present population, all classes, will approximate 1,500. The business of the place, outside of mining, consists nearly of restaurants, stores and saloons. There is a present sufficiency of them. There are inducements for the establishment of some other branches, particularly a good hotel, one of which, however, will soon be ready for business.

As soon as the concentrating mills are put in operation, which will require at least three months yet, there will be a demand for many more miners, mechanics and common laborers, but at present there is quite enough.

The Surprise Valley Mill and Water Company have done an immense amount of work, cutting roads and other permanent improvements, and are now but just beginning to do some systematic mining. They will soon have their principal mines opened at half a dozen levels each, and find bottom and prove them the finest mines almost ever seen. Ton after ton of Hercules powder is being used in these openings, blasting being necessary at every step. The reports from these blasts reverberate and fairly ring in the echo, sounding as full and loud as a heavily charged 24-pounder. In fact, these shots seem to shake the mountain to its very foundation. The Company have already expended nearly \$1,000,000, and expect to

expend about half as much more before they get fairly to mining and reducing ores. Numerous other companies are preparing for operations on a large scale, and altogether the future of Panamint is exceedingly promising. It will afford a great basis for stock operations; in this it will hardly stand second to the Comstock itself. Some thirty incorporations are preparing for legitimate mining, but no doubt with the ulterior view of running "adits" in the San Francisco Stock Board as soon as their mines can be made to give them a reliable base.

Recurring to the general characteristics of the district, its geological formation and promise, we would again call attention to the able, and very truthful report, submitted by Mr. Stetefeld, to the Mining Commissioner, and to which we gave place in our issue of November 21.—*Inyo Independent*.

[The report of M. Stetefeld was published in the November number of this journal. ED. COAST REVIEW.]

Work on Mining Claims.

After all the warnings given by the newspapers of the Coast, the miners who now allow their claims to be forfeited for non-compliance with the laws of the United States; deserve to lose them. The term "claim," as understood by the land office, is held to mean that portion of the vein or lode and adjoining surface to which the claimant has the right of possession in virtue of a compliance with the laws of the United States, and the local customs or rules of miners, not in conflict therewith. In order that those who have not a copy of the mining law of May 10th, 1872, may understand it in detail, we quote below the 5th section of the Act, which refers to the general expenditures required:

Section 5. That the miners of each mining district may make rules and regulations, not in conflict with the United States, or with the laws of the State or Territory in which the district is situated, governing the location, manner of recording, amount of work necessary to hold possession of a mining claim, subject to the following requirements:

The location must be distinctly marked on the ground so that its boundaries can be readily traced. All records of mining claims hereafter made shall contain the name or names of the locators, the date of location, and such a description of the claim or claims located by reference to some natural object or permanent monument, as will identify the claim. On each claim located after the passage of this Act, and until a patent shall have been issued therefor, not less than \$100 worth of labor shall be performed, or improvements made during each year. On all claims located prior to the passage of this Act, \$10 worth of labor shall be performed or improvements made each year for each 100 feet in length along the vein, until a patent shall have been issued therefor; but where such claims are held in common, such expenditure may be made upon any one claim; and upon a failure to comply with these conditions, the claim or mine upon which such failure occurred shall be opened to relocation in the same manner as if no location of the same had ever been made: *Provided*, that the original locators, their heirs, assigns, or legal representatives, have not resumed work upon the claim after such failure and before such location. Upon the failure of any one of several co-workers to contribute his proportion of the expenditures required by this Act, the co-owners who have performed the labor or made the improvements may, at the expiration of the year, give such delinquent co-worker person notice in writing, or notice by publication in the newspaper published nearest the claim, for at least once a week for ninety days, and if, at the expiration of ninety days after such notice in writing or by publication, such delinquent should fail or refuse to contribute his proportion to comply with this Act, his interest in the claim shall become the property of his co-owners, who have made the required expenditures.

The time for the first annual expenditure was extended to January 1, 1875. It may be well to state that the Commissioner has decided that the construction placed upon the section is that all claims located *after*

May 10, 1872, not less than \$100 shall be expended in labor or improvements during each year, and that the year shall commence from the date of the location of the claim. This may not be generally known, but was decided September 14, 1872.

Of course when a mine is patented no further annual expenditures are required either by Congress or local laws, as local laws must conform to the general law. It must be understood, however, that application for a patent is not equivalent to a patent in this connection, and the work must be done even if the patent proceedings are pending.

It may be stated here also that many miners who are not just ready to do all the works, will rely on the strict reading of the law as above given in section 5 of the Act. It says, "Provided, that the original locators, their heirs, or legal representatives, have not resumed work upon the claim after such failure and before such location." This does not say the work must all be done exactly at that time, but simply that it shall be resumed. Accordingly, quite a number of people who propose patenting their ground, intend only to be on the ground on the 1st of January, do one day's work and quit, relying on the law to bear them out. Providing they do the work within the year or patent their claims they think they will be all right. The best way, however, is to do the work and be done with it. Some remarks in this connection with relation to tunnels will be found in another column.—*Mining and Scientific Press.*

—The progress made in the main header of the Sutor Tunnel for the week ending December 10th, under the able management of Assistant Superintendent Jackson, with four Burleigh drills, was 106 feet. The header is 8x8. This is the quickest work of the kind ever done on this Coast. They expect soon to be able to make 450 feet per month in the header with the four drills. If they keep on at this rate it will not take long to reach the Comstock lode.

Mining Stocks.

The mining share market has been for the past few weeks in a state of high excitement. The wonderful developments in the Comstock lode have had the very natural effect of raising the stocks of most of the mines on that remarkable ledge to a price far above what even the owners expected. California, Virginia Consolidated and Ophir have been the favorites, but others have also shared in the good fortune. If only half of what is promised in the way of dividends prove true, the mine owners ought to be abundantly satisfied, as more wealth is coming out of the old Comstock than even its most sanguine admirers ever expected.

The bonanza struck in the California and Virginia Cons. is richer than anything ever before found in the lode, and even the ore body in the Belcher and Crown Point is thrown in the shade. Speaking of this wonderful body of rich ore, the *Enterprise* of last week says:

Those who discredit the existence of a great body of ore in the Virginia Consolidated, California and Ophir mines—a body of ore absolutely immense, and beyond all comparison superior in every respect to anything ever before seen on the Comstock lode—show lack of wisdom, and do but publish their own narrowmindedness and prejudice. Never before in the history of mining operations in this State has more ample opportunities been afforded all classes—speculators in stocks, millmen, mining experts, men of science and common citizens—to see and examine for themselves. Day after day men have come from San Francisco in order to assure themselves in regard to the truth of what had been told them in regard to the almost incalculable value of the ore-body opened upon them. These men have seen for themselves, have gone away satisfied, and are the men who are now buying the stock in the mines. High as the present prices of the three mines in question may seem, these prices are but in accordance with the developments made and making, and are paid by men who believe that it is worth the money. However, the fact is, that the value of the great bonanza is now generally acknowledged.

FINANCE AND TRADE.

What the Grangers Have Done.

The *Commercial Herald* of this city, of a late date, reviews the operations of the Grangers as follows :

We are now in that season of the year which entitles us to review the Granger movements, and determine their effects upon the country at large and upon themselves as a class. The order sprang into existence with mushroom rapidity, and soon spread abroad through the States, giving it a numerical power that would have been irresistible, but for the crude, immature and ill-considered counsels by which it was actuated. Proclaiming the principle of self-defence, it declared active war upon other organizations, persecuting and harassing them in every conceivable manner, and employing the ballot-box as an agent to crush and destroy. Judicial benches were filled with men selected by themselves for the avowed purpose of carrying out their views. Members of State Legislatures were chosen by them, and put in the most responsible positions, to make laws which should govern all other classes for the benefit of the Granger interests. Wielding a power to which they were wholly unaccustomed, and the extent of which they have never been able to realize or utilize, they became infatuated, intoxicated, undertook to run the entire machinery of business on their own responsibility, and in accordance with their inexperienced ideas. They resolved to do away with all middlemen; build their own warehouses; establish their own stores and places of trade; organize their own banks; construct their own ships, and do all the chartering for themselves through Granger agents; dictate to our colleges and seats of

learning, and, in fact, create an imperium in imperio, responsible only to itself, and disclaiming recognition of any other right, interest, or authority. Inflated with conceit, it then sought to acquire a monopoly of the breadstuff market, and by concert of action refrained from exporting their products in the hope of forcing higher prices. This ignoble attempt was foiled by unprecedentedly heavy yields of grain in all grain-producing countries. The poor were fed liberally from other sources beyond its control. The staff of life was in more merciful hands, and it is quite plain, "the best laid plans of men and mice gang aft aglee." What has been the result? The millions which should have been realized for our farm products for 1874 have been disbursed to the farmers of France, Holland, Germany, Russia and Chile. With immense supplies of breadstuffs yet in the country—by far the largest portion of last Summer's crop—offerings of cereals for shipment have been so limited that the interior, instead of paying for Eastern, foreign, and other goods in produce, has been paying for them in borrowed money, drawn from the resources of other interests. Intoxicated with a little transient success, our Grangers undertook to starve the markets, and the effort will probably terminate with starving themselves, or something nearly akin to it. Trade and business in all departments have been clogged and fettered in consequence of the drafts made by them upon the financial possibilities of the country, and we are now upon the verge of a rigorous Winter, during which it will be impossible to market our surplus grain and realize upon it before another shall have commenced. In two or three weeks more the canals will be closed, and transportation

by water from interior points will be hermetically sealed. The vast sums of foreign money, which, under ordinary circumstances, should have been realized for our breadstuff and passed into active circulation, building up the vital interests of the country and enhancing its financial credit, have been as thoroughly inaccessible, by reason of Granger speculations, as if locked up in the Bank of England's vaults. In this State, the rains have come earlier than usual, and with a freedom which promises copious supplies during the season. In such an event, we shall have another tremendous crop next year; and with the remarkably large balance on hand, it is not probable that high prices will prevail—certainly not, if European grain-growing countries furnish anything but a fair yield. The sad experience of ship-owners this year is not likely to fill them with anticipations of delight at the prospects ahead, and our astute Grangers may possibly discover to their chagrin that they have been nursing a most unwieldy "elephant." If financial disaster be averted, it will not be through any foresight or judgment on the part of Granger monopolists.

Plans to Revive Southern Industries.

Notwithstanding the many discouragements which confront them, the planters in some of the Gulf States are continuing their efforts to attract emigrants from Europe, in the hope of improving their agricultural industries. In Southern Louisiana, to-day, thousands of acres of the most fertile land on the face of the globe are lying idle, producing absolutely nothing, where plenty and prosperity should exist. There is employment, share labor and land in abundance for the colored people, between whom and the planters, we are assured, there exists only the kindest feeling; but as the vast tracts of neglected field and pasture must be utilized by means of immigration, agricultural companies are forming there with this purpose in view. These propose to purchase impoverished plantations, together with the machinery and improvements thereon, in-

cluding the necessary fixtures, appliances, teams, seed, etc. It is intended to let these to the emigrant on such terms as will secure the corporation a moderate interest on the outlay, at the same time that the former will be given advantages which will enable him, in the course of a few years, by patient industry, to establish for himself a home and a permanent interest to the soil. The organizations which propose to bring these things about are appealing for subscriptions, and upon these, of course, their success or failure must depend. Without knowing anything about them, or the parties engaged in them, other than is contained in their circulars, one need not hesitate to say that they evince a praiseworthy desire to accomplish a substantial good in a practical way. The way may fail for want of the necessary funds—for, just now, nothing is so scarce in the Gulf States as ready capital—but the effort is none the less to be encouraged.

Certification of Raised Checks.

The Albany *Law Journal* refers to a case now pending before the Court of Appeals of this State, involving the question of the liability of the certifying bank to a *bona fide* purchaser for value where the check has been fraudulently "raised" before certification. The check in question was a *bona fide* check for \$25, drawn by a reputable merchant, fraudulently altered as to the sum and as to the payer before being presented for certification to the bank on which it was drawn. The bank certified it without perceiving the fraud, and subsequently paid its full amount to another bank, in which it had been deposited. On discovering the fraud, the certifying bank brought a suit against this other bank to recover the amount paid. The question, then, to be decided, is whether the certifying bank has a just claim in law to a recovery of the money from the bank to which it was paid.

The answer to this question depends entirely upon what is the nature and legal effect of certification. The *Journal* submits the following schedule of legal points presented to the Court of Appeals, for the

purpose of showing that the certifying bank made itself responsible for the check as it was when certified, and hence, that it has no claim to recover the money paid, growing out of the fraudulent character of the paper:

1. The certification was an original undertaking to pay the check. It operates not as a promise to pay the debt of another, but as an engagement of the bank to pay the debt as its own.

2. The certification binds the bank to retain the apparent amount out of the drawer's account to meet the check when presented and to pay it to the holder on demand; and, as between the bank and an innocent holder, the bank is bound to pay that amount although the account of the drawer may turn out not good for it.

3. Certification is equivalent to payment.

4. Certification exonerates the maker, and the holder can look to the bank alone for payment.

5. By the certification the bank issues the instrument to the world as an obligation of its own and guarantees the instrument as money to the extent of its apparent amount.

—The advance in the Bank of England rate of discount on the 18th of November, from 4 to 5 per cent., finds an explanation in the following statement of the amounts of coin and bullion in the national banks of Europe at the latest dates and in the last week of September:

	Last week of September.		Changes.
Bank of Eng- land, Nov. 12.	£20,820,000	£23,000,000	De. £2,170,000
Bank of France, Nov. 11.....	51,000,000	51,110,000	De. 20,000
Bank of Prussia, Oct. 23.....	32,030,000	33,840,000	De. 1,810,000
Bank of Bel- gium, Oct. 22,	4,380,000	4,430,000	De. 50,000
Bank of Aust- ria, Oct. 21...	14,330,000	14,370,000	De. 40,000

Taking the five banks together, they have lost \$4,900,000 since the last week of September. The principal withdrawals have been from the Bank of England (£2,170,000) and from the Bank of Prussia (£1,800,000), while from the others combined only £110,000 has been taken. This efflux appears to have been largely due to the late Turkish

Loan negotiation, in which most of the European money markets have taken a hand. Probably, considerable amounts have been taken from Paris on this account; but the Bank of France has kept up its "cash" account through drawing on London and Germany. As usual under a movement of this character, the Bank of England, rather than wait for the certain reflux of the bullion, has put up its rate with a view to turning Continental exchanges in favor of London and thereby replenishing its coffers. This appears to be the meaning of the rise in the Bank rate.

—There was a very active demand for coin and bullion for shipment from New York during the last week in November, and the total amount sent away was \$2,188,500, including \$1,650,000 in gold coin, \$100,000 in fine gold, and the remainder in fine silver. The total amount shipped for the eleven months is \$48,500,000, or \$2,500,000 in excess of the amount shipped during the same time last year. In view of the unsatisfactory state of the export trade during the past few months, it is a wonder that we have not had to ship more treasure. Within the past few days the shading of the gold premium has indicated a lessened demand for shipment, but the treasure drain for the year will exceed \$50,000,000.

—There is a very active demand for money in this market, and rates are firmer than they have been in months. Call loans continue to be done at 1@1½ per cent. per month, and term loans are 8@10 per cent. per annum. There is a continued good demand for remittance. Fortunately the mines are yielding handsomely, thus keeping up a good supply of bullion, which finds its way to the Mint in large quantities, and eventually swells the coin circulation. Coin drafts on Atlantic cities are drawn at one-half to one per cent.; Currency drafts, 10¼ per cent. premium on gold; telegraphic transfers, ¾ per cent.; exchange on London, 49½d for sixty-day bankers' bills, and 49½@49¾d for commercial bills; gold bars, 890@900; silver bars, 3¼@3½ per cent. discount; Mexican dollars, ½ per cent. discount; trade

dollars, par to $\frac{1}{2}$ per cent. premium; silver coin, $\frac{1}{2}$ @ $\frac{3}{4}$ per cent. discount.

—The real estate market is in a very encouraging condition. Property is more saleable than for any previous time in six years; and this is not due to any abatement in values, but rather to the improved demand, which has at last caught to the advance incident to the up opening of the railroad; when speculation ran prices up to an altitude not justified by the legitimate wants of the market. An examination of the last number of the *San Francisco Real Estate Circular* shows that there were 326 deeds placed on record in the city last month, representing a money value of \$2,292,000, which, with one exception, is the largest amount in at least three years. The exception referred to was in August, when the amount of deeds recorded was over \$3,000,000. The doings in real estate in this city for November compare as follows:

November.	Deeds.	Mortgages.	Releases.
1871.....	\$1,031,200	\$1,317,600	\$972,100
1872.....	858,200	449,300	517,400
1873.....	1,085,600	708,200	493,500
1874.....	2,292,200	847,100	694,600

The amount for the current month will probably exceed November. Already the deeds of a large credit sale held some time ago, are being placed on record, and the Lick property sold last month, will also go on record this month. We are now in the midst of the payment of the annual taxes, when there is a natural reluctance to invest in real estate; and yet private operators inform us of an active inquiry and fair business. There are also large lines listed for public auction in all this month. The outlook for 1875 is even more flattering, and many predict the largest business yet recorded in that year.

—The recent excitement in the stock market in this city, and the great improvements in the Comstock mines is causing the withdrawal of considerable money from the East, sent there by San Francisco capitalists for investment some time ago. Eastern capital is also coming in to be invested in the stock of some of these leading mines,

such as Consolidated Virginia and California. About two years ago considerable Eastern capital was invested in Crown Point and Belcher, to the entire satisfaction of the investors, and as Consolidated Virginia and California are believed to be far better mines than they were, it is probable that these same parties are again in the market as purchasers of the stock of these companies.

—The *Monetary and Mining Gazette*, of London, of date Nov. 28, referring to the money market in that city says:

The bank rate was raised on Monday last from 4 per cent., at which it was placed on the 15th ult., to 5 per cent., at which it now stands, no change having been made by the directors at their usual meeting on Thursday. This movement, which was made in consequence of the exports of gold to, and the low rate of exchange on, Paris, has apparently exercised the desired effect. The export of gold for the continent has ceased, and large amounts of the precious metal are already shipped from America in consequence of the advance; while the Paris Exchange has risen steadily, though slowly, ever since, and at the present quotation there is a loss on the shipment of bar gold thence. The movement of the bank was of course followed by the Open Market, which raised the rates of money at call, at seven and fourteen days' notice, from 3 to $3\frac{1}{4}$ per cent., to 4 and $4\frac{1}{4}$ per cent. In the discount demand, owing to the enormous supply of capital which has been seeking employment, the rate for three months' bills has already fallen $\frac{3}{4}$ per cent below the official minimum. Short money has been plentiful, and after being temporarily firm at 4 to $4\frac{1}{2}$ per cent. from day to day on consols, has declined to $3\frac{1}{4}$ to 4 per cent., there being little demand for it. Apparently, there is no probability of any further advance being necessary, as in addition to large sums on the way from New York, nearly £650,000 is due from Australia at the end of the month; while in the present stagnant condition of trade, no advance will be necessary from any increase in the discount business.

—The financial situation in the East is without change, excepting so far as fluctuation in bank deposits and legal-tenders evince somewhat irregular business activity. With no general disturbance, the fall season moves on, and has not been marked by that extent of bankruptcies which had been anticipated in view of heavy burdens of indebtedness known to have been carried. In most large cities heavy building speculations, conducted on credit, have to meet their interest payments, but the defaults have not been sufficient to promote general disaster; and the evil threatened from the maturing of renewed paper in mercantile circles has been tided over. The ease of the money market still aids embarrassed parties, and but for the shrinkage in prices it is possible that many present and future failures might have been averted. The ratio between loanable and fixed capital preponderates on the side of the former without diminution, giving monetary stability, but keeping up industrial stagnation.

The new currency bill has given some impulse to the Western banking movement, but it is realized that banks do not supply the wants of the West, which call for long credits and not short loans.

—The Concord Savings Bank, at Concord, New Hampshire, suspended on the 1st instant, after paying out \$600,000 to dissatisfied depositors. The run on the bank began several weeks ago, and has been steadily increasing. The officers have applied to the Superior Court to appraise the value of remaining securities, and to determine the loss of unsatisfied depositors. The New Hampshire Savings Banks represent \$25,000,000 deposits. The laws of that State give these incorporations considerable latitude in the matter of loans, and it is said that 50 per cent. of the deposits is loaned out on commercial paper, including large sums on railroad securities, a very uncertain kind of collateral.

—There were thirty-three marine disasters to the fleet bound to or from the United States in November, and the total value of the property destroyed, exclusive of cargoes,

is set down at \$460,000. The list includes two steamers, two ships, five barks, seven brigs and seventeen schooners. Twenty of the vessels were wrecked, three were burned, three were abandoned at sea, one was foundered, two were sunk by collision, and four are still missing. One of those burned was the river steamer Sacramento, which caught fire while lying at the wharf in this city. The new ship Centaur, owned in Boston, was also burned on the voyage between Liverpool and San Francisco, through spontaneous combustion of cargo of coal. These two were the only vessels in which San Francisco was interested.

—According to recent dispatches from Washington, Dr. Linderman, Director of the Mint, has been making some calculations as to the probable amount of production of gold and silver during the coming year, with a view of regulating the coinage. The Doctor has come to the conclusion that the yield of the precious metals for 1875 will be enormous. From the Comstock lode alone he estimates the production at not less than \$40,000,000, and he advances the opinion that for the next two years the production will only be limited by the milling facilities. Moreover, the refining capacity of the Pacific Coast is declared to be insufficient for treating the product of the mines for the coming year, in consequence of which a part of the mixed bullion of Nevada will have to be sent to the Assayer's office at New York to be refined. We are inclined to think that Dr. Linderman's estimate of the product of the Comstock is not at all exaggerated.

—No city in the world of equal size has such banking facilities as San Francisco. All our commercial banks are doing a fair business, and many of them are doing an extensive and highly profitable business. The largest one is the Bank of California, which has a cash capital of \$5,000,000, and a reserve of nearly \$1,000,000. One of our young banks, the Merchants' Exchange, aims from this date at the second position. It was organized in April, 1870, with a paid up capital of \$1,000,000, and during the past summer the capital was increased to \$2,000,-

000. At a meeting of the stockholders on the 16th inst., it was determined to further increase the capital to \$5,000,000, \$4,000,000 of which is to be paid up. The bank already holds about \$300,000 reserve, which, with the new capital, will make it the second commercial bank on this Coast. The Merchants' Exchange bank is under excellent management, and has paid one per cent. to its stockholders monthly for a long time.

—It may be considered as superfluous to remark that the only way to foster our own manufactories is to buy and use their wares as it is to say that two and two makes four. Yet this very simple and self-manifest proposition is so often disregarded or indifferently practised by many in community that its repetition in print is not inapt. The people who import the least and export the most are always the most prosperous, the surest guarded against the disorders and calamities which hard times and panics cause, and the best contented among themselves. And it is plain to every comprehension that the more a community patronizes

its own manufacturers and artisans, just that much more wealth is saved to the whole body, and that so much more encouragement is given to others to embark in and establish other enterprises and works calculated to further increase the community wealth, swell the total of population, and advance in every way the welfare of all. But it too often happens that we depreciate the worth of home manufactures and in inverse ratio, over-estimate that of similar wares or goods manufactured abroad. We will neglect or disdain to buy or to use that which is made in our own locality, but will instead purchase at a higher price an inferior article imported from a distant clime. As a consequence the home manufacture languishes without encouragement and without patronage, and others who might engage in different lines of manufacturing are disheartened and deterred from doing so—to the detriment of the community itself more than to any other.

—The new mining district of Coso, about fifty miles from Panamint, Inyo County, is now looming up.

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INSURANCE.

Proposed New Building Law in Illinois for Cities of 100,000 or More Inhabitants.

Article I.—Exceptional Buildings.

SECTION 1. Closed sheds, not exceeding 12 feet in height nor 200 superficial feet in area, may be constructed of ordinary frame work, provided the same is externally protected by an envelope of incombustible material other than coating of any fire-proof paint, so called.

SEC. 2. Buildings, not exceeding 20 feet in height nor 1,000 superficial feet in area, may have brick walls erected on wood sills placed within one foot of the ground.

SEC. 3. One-story buildings of any size, being less than 30 feet high, may have outer walls constructed of a framing of oak timber, placed upon a continuous foundation of masonry, and protected by an envelope of incombustible material, such as is rigid and firm by itself. This envelope, if of brick, shall not be less than eight inches thick; if of metal, it shall be double.

SEC. 4. The body of any elevator build-

ing may be constructed of wood, externally protected by a rigid envelope such as is specified in Sec. 3. The walls of first story shall be of masonry not less than 20 inches thick. The lantern or cupola shall be constructed bodily fire-proof, to the exclusion of wooden rafters, roof boards, and any other wooden work, excepting window sash. The openings in such lantern shall have a protection of wire-cloth made of No. 14 (or heavier) wire, with $\frac{1}{4}$ inch meshes. The openings of the body of the building and its engine-house shall have substantial iron shutters.

Article II.—Character of the Different Parts of Buildings.

SEC. 1. All buildings henceforth to be erected within the corporate limits of such cities, which are not comprised under Art. I., shall have their walls constructed wholly of incombustible materials, and with foundations of masonry. If timber is employed underneath these foundations, the same shall be kept below the bottom line of sewer pipes.

SEC. 2. Sills and lintels for door and window openings, and posts for store fronts

may be of oak timber or plank for buildings which are less than 27 feet high. For higher buildings, such posts, sills and lintels shall be of incombustible materials.

SEC. 3. Stoops, steps, balconies, verandahs, railings, porches, bay-windows, towers, observatories, dormer-windows, and all other kind of appendages to any business building, shall be wholly constructed of incombustible material.

Other buildings, not being business buildings, may have any such appendage of wood, provided the same is wholly within a height of 24 feet; provided, however, that steps of not more than six risers, to business buildings, that have no sidewalk vault; basement area-steps to business buildings that are less than five stories high and have an area not exceeding 6,000 superficial feet; outside steps leading to first or to second stories, provided the same are made of hard wood, without risers, and supported by stringers and brackets made of iron; and all appendages to dwelling-houses may be constructed of wood or combustible material, but the parts thereof which shall project or extend beyond a height of 24 feet shall, in all cases, have a protecting envelope of fire-proof material other than a coating of fire-proof paint, so-called.

SEC. 4. Skylights upon business buildings which are more than 45 feet high, and skylights upon any lower building which is part of, or appendix to, a business building more than 45 feet high, shall be made wholly (frame and sash) of incombustible material. Other skylights shall have their frames and sash covered with incombustible material. The glass of all skylights, if not the so-called "bull's eyes," shall be protected by screens made of No. 10 (or heavier) wire, with meshes not exceeding $\frac{3}{4}$ inches; such screen to be secured to the sash, and kept at least four inches above the glass.

SEC. 5. All cornices, gutters, eaves and parapets, of whatsoever description, shall be made of incombustible materials. The front walls of all buildings having flat roofs shall be carried at least 18 inches above the roof, so as to intercept and prevent connection between the covering of cornice and the

covering of roof. Cornices constructed of cut stone shall not extend more than 36 inches beyond the face line of wall, and their preponderating weight shall be upon the wall.

SEC. 6. The weather-covering of all roofs shall be made of incombustible material.

SEC. 7. All roofs which are in the mean elevated 45 or more feet above the sidewalk (if not bodily fire-proof,) shall have an incombustible protection under the weather-covering not less than one inch in thickness.

SEC. 8. All Mansard and Gothic roofs and domes of business buildings shall be made bodily fire-proof. This shall be construed so as to entirely exclude wood in their construction.

SEC. 9. All roofs shall be so constructed as to be easily accessible, either by scuttle or by iron steps fastened to the outside walls.

SEC. 10. All business buildings being more than 56 feet high, covering an area exceeding 5,000 superficial feet, also all buildings exceeding 80 feet in height, shall have a 2 $\frac{1}{2}$ inch (or larger) metallic stand pipe within or near the front wall, extending above the roof, with proper hose couplings at each story or gallery and roof, and arranged so that engine hose can be attached from the street.

SEC. 11. All buildings having an area exceeding 10,000 superficial feet, and being more than 40 feet high; also all buildings having an area exceeding 6,000 superficial feet, and being more than 56 feet high, shall have all their floors deadened with mortar or its equivalent, spread at least two inches thick.

SEC. 12. No ceiling of any story of a business building shall be covered with wooden boards of any kind.

SEC. 13. All buildings henceforth to be erected within such city, extending beyond a height of 80 feet (churches and spires excepted), shall have all their floors, roof-beams, joists and partitions thoroughly protected by incombustible material.

SEC. 14. No individual four-story or higher building shall be allowed to exceed an area of 8,000 superficial feet, unless there is in connection therewith an or-

ganized fire-brigade, and apparatus under the control of and approved by the fire department of the city.

SEC. 15. All business signs extending above and beyond a height of 25 feet, shall be made of incombustible material. Wooden sign boards hereby permitted shall not be more than two feet wide, nor shall any such board be part of the building to which it is fixed.

SEC. 16. All future public sidewalks in front or at the side of any building which now stands or which may be erected on any of the improved streets, also all covering of areas and vaults that are made under any sidewalk, alley or street, shall be constructed of incombustible material.

Article III.—Thickness of Walls.

SEC. 1. A wall of at least eight inches in thickness shall be required for the outside and party-walls of all buildings with but one story, which is less than 14 feet high; for the outside walls of the upper story of all two and three-story buildings, not being business buildings, provided said story is not over 13 feet high; for inside walls serving as partition-walls, which are not used as bearing walls for floor-beams, and which have an area of 500 superficial feet (or less), measured between crossing walls and floor-joist. (Chimney breast being four feet or more broad, and projecting eight or more inches, shall be regarded as equal to crossing walls.)

SEC. 2. No brick wall of any building shall be less than 12 inches thick, except as above provided in Sec. 1 of this article.

SEC. 3. This thickness of 12 inches shall be regarded as sufficient in the following instances, to wit: For the outside walls of the three upper stories of any building, except as specified below; for the outside and party-walls of all kinds of dwelling-houses being not more than three stories high.

SEC. 4. All four-story buildings shall have the one lower story, and all five-story buildings the two lower stories, with outside walls not less than 16 inches thick. Buildings which are higher than five stories shall have outside walls of the first and

second stories not less than 20 inches thick, and of the third and fourth stories not less than 16 inches thick.

SEC. 5. All business buildings exceeding 2,000 superficial feet in area, being more than three stories high, and height of stories averaging more than 13 feet, shall have outside walls in all stories, except the upper story, four inches more in thickness than required for similar walls by Sec. 4 of this article.

SEC. 6. Store buildings exceeding 12,000 superficial feet in area, being more than three stories high, and height of stories averaging more than 14 feet, shall have an increase of four inches added to the thickness of outside walls of the two upper stories, and eight inches to the thickness of outside walls of all other stories, over and above what is required for similar walls by Secs. 3 and 4 of this article.

SEC. 7. Where any wall is 100 feet in length, or more, and not intersected by partition walls, it shall be strengthened by piers at spaces of not less than 50 feet.

SEC. 8. The outside walls of rooms having trussed ceilings, such as churches, public halls, theatres, dining-rooms or the like, if more than 15 and less than 25 feet high, shall average at least 16 inches; if over 25 feet high, at least 20 inches; if over 45 feet high, at least 24 inches in thickness.

SEC. 9. All walls surrounding any such room, with trussed ceiling, shall be of masonry.

SEC. 10. If solid buttresses are employed, with a sectional area of 300 or more square inches, placed less than 18 feet apart from centres, and extending to, or nearly to, top of walls, four inches may be deducted from the thickness of any wall having such buttresses, unless such wall be a party-wall, provided that no wall is thereby reduced to less than 12 inches in thickness.

SEC. 11. Party-walls shall in no case have less thickness than is provided for outside walls. Business buildings shall not have party-walls less than 16 inches thick in any story; provided, however, that in cases where such building has an area of less than 2,500 superficial feet, and has not more than

three stories, which average in height less than 13 feet, the party walls may be 12 inches in thickness. All party-walls shall be built solid.

SEC. 12. Except as is otherwise provided in this article, interior walls may be four inches less in thickness than outside walls, but no mere partition wall shall be required to be of a thickness exceeding 12 inches.

SEC. 13. Party-walls eight inches thick shall be carried above the roof at least 12 inches high. Party-walls 12 inches thick shall be carried above the roof 36 inches. All other party-walls shall be carried above the roof 48 inches. Such fire-walls (so called) shall in no case be less than 12 inches thick, unless the party-wall itself is of less thickness. All fire-walls shall be coped with stone, or its equivalent.

SEC. 14. Hollow walls shall be reckoned by their solid parts, unless either part is at least eight inches thick, and solid connections are made in upright direction, not less than 12 inches wide nor more than eight feet apart from centres. Hollow walls shall not be party-walls.

SEC. 15. All thicknesses heretofore specified are for brick walls. Any wall constructed of, or faced with stone, shall be made four inches thicker than required for brick walls. This extra thickness of four inches shall not apply to any wall faced with ashlar, which is at least four inches thick and alternates with headers reaching eight inches upon the backing.

SEC. 16. The backing of any iron front that is not wholly self-supporting, shall be treated as an independent wall.

Article IV.—Chimneys.

SEC. 1. All chimneys shall be made of brick, or equivalent, with foundations from the ground, unless attached to a wall of masonry.

SEC. 2. No chimney shall be built with less than four-inch walls, and all chimneys shall be extended above the level of the roof not less than five feet, and above the peak not less than two feet.

SEC. 3. All chimneys whose flues are larger than 130 square inches, shall have walls not less than six inches thick at any

point, nor less than eight inches for the first 15 feet from inlet of fire upward.

SEC. 4. Chimneys with flues more than 250 and less than 500 square inches shall have walls not less than eight inches thick at any point. Their tops shall be carried at least eight feet above the level, and not less than five feet above the peak of roof.

SEC. 5. Chimneys with flues more than 500 and less than 800 square inches, shall have 12-inch walls for the extent of 36 feet, and 16-inch walls for the first 10 feet upward from the inlet of fire, and their tops shall be carried at least 10 feet above the level or six feet above the peak of roof.

SEC. 6. Chimneys with flues more than 800 and less than 1,800 square inches, shall have double walls with hollow space at least three inches wide. The outer wall shall not be less than eight inches thick at any point, and not less than 12 inches for the first 10 feet from inlet of fire. Such chimneys shall be carried 12 feet above the highest point of roof. If such chimney stands isolated, the same shall not be less than 70 feet high.

SEC. 7. All chimneys with flues larger than 1,800 square inches, shall be erected disconnected from any main building, and shall be at least 10 feet higher than the highest building within a radius of 60 feet, and in no case less than 80 feet high.

SEC. 8. The provisions of the foregoing seven sections as to thickness of walls shall be applicable only to such chimney-walls as are actually part of, or situated within, any building.

SEC. 9. Flues within party-walls shall not be extended beyond the party line, unless expressly intended to be jointly used for both buildings. All steam-boiler flues (unless joint-flues) shall be kept at least four inches off the party line.

SEC. 10. All floor beams, joists and headers shall be kept at least two inches, and in case the flue area is more than 250 square inches, four inches off the outside face of chimney-wall or jamb.

SEC. 11. All hearths for open fire-places shall be built upon trimmer arches of brick

or stone. The face of the floor-header, if of wood, shall be kept not less than 18 inches off the chimney-breast. The backs of all fire places shall be not less than eight inches thick. All stove-pipe holes shall have proper thimbles and stoppers.

Article V.—Interior Construction of Buildings.

SEC. 1. The distance between ends of floor beams within party walls shall in no case be less than four inches. In all mills, factories and warehouses, this distance shall be at least eight inches.

SEC. 2. The floor-girders of the two lower floors of, and the supports of floor-girders throughout, any building exceeding an area of 3,000 superficial feet, and being more than two stories high, shall not be of soft wood or pine of any kind.

SEC. 3. Iron columns employed within, or in the construction of any factory, mill, warehouse or wholesale store, also iron-rolled beams and trusses supporting a brick or stone wall of any building, shall have a fire-proof non-conducting envelope of thickness not less than one inch at any point, with exception of the bottom flanges and edges of the other flanges of such beams and trusses as support outside walls.

SEC. 4. Dividing partitions (for the mere separation of rooms) may be constructed of scantling, with lath and plaster on both sides, or of tiles, or of other material not more combustible than the above. Plank or board partitions, exceeding an area of 250 superficial feet, are prohibited.

SEC. 5. Scantling partitions shall not be employed as supporters of any floor or roof, except in dwelling-houses.

SEC. 6. Hotel buildings exceeding 6,000 superficial feet in area, and other buildings exceeding 10,000 superficial feet in area (if more than three stories high), shall have all their partitions made fire-proof, excepting such as are used for bath-rooms and closets.

SEC. 7. Walls dividing any two individual buildings shall not be treated as mere interior walls, but as party-walls.

Article VI.—Protection of Stairs, Hatchways and Openings.

SEC. 1. Hatchway openings shall have

substantial trap-doors on all floors, except as provided in Sec. 2.

SEC. 2. Hatchways having no trap-doors, and in which an elevator shall be used, shall have a fire-proof shaft started at the lowest point reached by such elevator, and extending through, and six feet above, the roof. Doors in such shaft shall be made of metal, with a wire screen. Open passenger-elevators within well-hole of any open stairway are not hereby prohibited.

SEC. 3. Stairways shall not be enclosed with partitions made of plank, boards, flooring, or bare scantling without lath and plaster on both sides. In all factories, mills or warehouses, more than three stories high, and covering an area of more than 3,000 superficial feet, all stairway partitions shall be constructed of fire-proof materials.

SEC. 4. In all factories, mills and warehouses, which are more than three stories high, and cover an area of more than 6,000 superficial feet, all stairways shall either have metallic or metal-covered trap-doors to their well-holes, or such well-holes shall be wholly enclosed by fire-proof partitions with metallic or metal-covered doors.

SEC. 5. All mills, manufactories of combustible articles, warehouses and wholesale stores shall have substantial iron shutters, blinds, or doors to all openings except in the cases where the fronts of such buildings are more than 125 feet distant from any opposite building or lumber pile; in which case, such fronts are not required to have such shutters. All other buildings except churches, dwellings, two-story buildings occupied for stores and dwellings, one-story buildings of all kinds, and all buildings of whatever size which are isolated on all sides from any other building or lumber pile a distance of 125 feet or more, shall also have substantial iron shutters, blinds or doors to all openings except on the street front of streets which are more than 48 feet wide. First story show-windows and doors on street fronts are excepted from all the above provisions. Return show-windows on established alleys shall be regarded as street show-windows.

When in any such building the shutters,

blinds, or doors cannot be put on the outside of openings, they shall be put on the inside. All swinging shutters on the outside shall be secured by means of iron eyes or frames built in the jambs of the masonry, with hinges not more than five feet apart.

SEC. 6. In case of the subsequent erection of any building, or the location of any pile of lumber more than 10 feet high, within the distance prescribed by the foregoing section, then the building first erected shall be provided with iron shutters, blinds or doors, as required in Sec. 6, within three months after the completion of the roof of the subsequent building, or the location of such lumber pile, as the case may be.

SEC. 7. So-called bull's-eyes lights, not exceeding three inches in diameter, if secured in a metal frame, shall be regarded as an equivalent to iron shutters.

SEC. 8. Openings in party-walls shall not exceed in size 30 square feet, and shall be protected on each side by a door made of $\frac{1}{8}$ inch (or heavier) iron with heavy framing and cross-binding, and have rabbeted frame, hinges and lock, the same as usually employed for any good fire-proof vault door. The sills of such doors shall be of iron or stone, projecting one inch above the highest floor. The frames at each side of the wall shall be connected together by means of iron bars, bolts or jambs.

Article VII.—Enlargement of Existing Buildings, etc.

SEC. 1. Written application, setting forth nature and circumstances of the case, shall be made to the proper officer for permit in the following instances, to wit: When an existing wall, which is unequal to the requirements of this act, is to be made part of any building proposed to be newly erected more than two stories high, and with an area of more than 4,000 superficial feet, or more than three stories high with an area more than 2,000 superficial feet, or more than four stories high without regard to area. When any existing building is to be increased in size, so as to make it beyond three stories high, and beyond 4,000 super-

ficial feet in area, or beyond four stories high without regard to area. When any existing building, being more than three stories high and having an area exceeding 4,000 superficial feet, is to be increased by more than 30 per cent. of its contents. When two or more adjoining buildings are to be converted into one building in common.

SEC. 4. No existing building shall be increased beyond a height of 60 feet, unless all conditions required under the several articles of this act are fully complied with.

Article VIII.—Relating to Repairs and Moving of Buildings.

SEC. 1. Any building may be moved from one place to another within the same block, provided it does not in its course cross a street or alley.

SEC. 2. Any wooden building which has suffered damage by fire so that its repairs would cost 50 per cent. (or more) of the actual value of such building at the time of the occurrence of the fire, shall be destroyed and not repaired.

SEC. 3. Any and all exterior repairs to any building, whether caused by time or the elements, shall be made with incombustible material.

SEC. 4. Any building worth at least 50 per cent. of what it would cost to erect a like building of new material, may be moved to any distant location.

Article IX.—Space Allowed to be Taken up by Areas and Projections.

SEC. 1. The space to be taken up by any area, stoop, or steps in connection with any building is limited to an extent equal to $\frac{1}{3}$ of the width of the established sidewalk which is occupied by such area, stoop or steps.

SEC. 2. The ulterior projection of any cornice, balcony, railing, or any other part belonging to any building shall not be beyond the line allowed for area, stoop or steps.

SEC. 3. The face of wall, pilaster or column of any building above the level of its main water-table, unless such column or pilaster is merely part of any portico or window-dressing, shall not project beyond the street line.

SEC. 4. Porticos to any building, extending through one or two stories, and bay or oriel buildings to dwelling houses, are allowed to project from the street line under restrictions set forth in Sec. 2. Such bay or oriel windows, however, shall start at or above the main water-table, and terminate below the main cornice.

Article XI.—Safety of Special Classes of Buildings.

SEC. 1. Buildings designed for the storage of petroleum or articles of like nature, the storage of which therein may be authorized by law, shall be constructed as follows, to wit: Their walls shall not be less than 16 inches thick nor more than 16 feet high. Their floors shall be made of fire-proof paving or concrete upon the ground. Their windows shall not exceed in size 12 square feet, nor their doors 24 square feet; both windows and doors shall have substantial iron shutters on both sides of the wall. No one building, nor fireproof compartment thereof, shall at any time contain more than 100 barrels of 45 gallons each of such liquid.

SEC. 2. The egress-openings and stairways of theatres or other buildings, or rooms wherein crowds of people occasionally assembled, or wherein large numbers of employes are kept at work, shall in no case be less than five feet wide, nor aggregate a less proportion than 18 inches for each 100 of its inmates or spectators that such rooms may at any time contain. This provision to apply to the doors of each gallery or compartment of such building, as well as to the exterior openings. All doors of such buildings or rooms shall be made to swing toward the outside.

SEC. 3. Storage sheds exceeding 8,000 superficial feet in area shall be subdivided into compartments not exceeding such area, by brick party-walls not less than 12 inches thick, extending through the roof.

SEC. 4. Smoke-houses shall be constructed throughout of incombustible material, with ventilators at or near the top, and guards not less than four feet above the fire-beds, sufficient to prevent the meat from falling below. If they open into other buildings,

such openings shall be protected by iron doors as provided in Sec. 8, Art. VI.

SEC. 5. The egress-stairways of any factory of combustible articles or materials, wherein more than 200 employes are kept at a time, shall be inclosed within brick or stone walls, and the connecting openings shall have substantial iron doors or shutters.

Article XII.—Furnaces and Stoves Within Buildings, etc.

SEC. 1. The mantle of any hot air, hot-water, steam, or other furnace, whether brick or metal, shall be kept at least 10 inches, its roof or smoke-pipe 20 inches, its (single thick) conductors eight inches off any unprotected wood work. All furnaces shall be placed on foundations of brick or stone, with proper hearthstone or metal in front of the ash pit, not less than 36 inches wide. The protection of wood-work shall be made double thick with ventilating air space between the two thicknesses, in case the distances are respectively within one one-third of the figures mentioned. All hot-air conductors of hot-air furnaces within wood partitions, and anywhere within churches, theatres and halls, shall be made double, one within another, with at least one-half inch space between the two. All hot-air registers shall be set in soapstone border not less than two inches in width. All soapstone borders shall be firmly set in plaster of Paris. All floor register (floor) borders shall be made of tin plate with a flange on the top to fit the groove of the soapstone, the register to rest upon the stone. There shall also be an open space of two inches on all sides of the register box, extending from the under side of the ceiling, below the register, to the soapstone on the floor. The outside of said space to be covered with a casing of tin plate, made tight on all sides, to extend from the under side of the aforesaid ceiling, up to and turn under the said soapstone register, 12 by 19, or less than 15 by 25 inches, shall have a space of three inches between the register box and casing. Registers of 15 by 25 inches and more shall have a space of three and one-half inches. None but IX bright tin shall be used in the

construction of hot-air flues and their appendages.

SEC. 2. Metal or other stoves shall be placed at least 20 inches and their smoke pipes 12 inches off any unprotected wood-work. In case the body of such stove or the stove pipes shall respectively be in use within a less distance (than above mentioned) from any wood work, such wood work shall be protected by a metal covering, and in case the distances from such wood work are respectively less than one-third of the distances above mentioned, then such wood work shall be protected by a double protection or covering of metal, with a ventilative air space between such protecting materials.

SEC. 3. All open fire-places, cooking ranges, kettles, and the like shall have fire-proof foundations with fire-proof hearth extending not less than 10 inches from grate or ash-pit.

SEC. 4. The wood work of all boiler-houses and boiler-rooms shall be kept at least six feet from the boiler, four feet from the breeching or smoke-conductor, and three feet from the dome of the boiler, whether such wood work is protected or not. The floors of all rooms containing stationary boilers shall throughout be made of incombustible material. When portable boilers are used on wood floors of any building, such wood floor shall have a close protection of incombustible material not less than six inches thick, covering all the space under the boiler, and projecting not less than two feet on the sides and rear, and six feet in front, with an air chamber of not less than two inches between the floor and such protection. Hollow tiles laid in mortar or cement on the floor may be used for such protection, provided all the parts are firmly cemented together, and so laid as to form continuous openings through the tile for the free circulation of air. No brick oven, coffee roaster, or any other brick structure to contain fire shall be erected or permitted on a wood floor of any building.

SEC. 5. Steam boiler-rooms being in close connection with, or attached to, buildings exceeding 5,000 feet in area, and being more

than three stories high, shall have ceilings and roofs constructed wholly of incombustible material, and their connecting openings shall have substantial iron shutters.

SEC. 6. Portable steam boilers, with fire surface of less than 400 superficial feet, may have metallic smoke-stacks, provided such stack be made with surrounding cylinder at least five feet long and six inches off all around, where the stack pierces the roof of building. All such metallic stacks shall not be less than five feet higher than the highest building within a distance of 100 feet from such stack; nor shall any of them be erected within any existing wooden building or within a distance of 25 feet from any existing wooden building; nor shall any such stack penetrate any floor unless the same is wholly fire-proof.

SEC. 7. Cupolas of foundries shall in all cases be extended at least four feet above the highest point of roof.

SEC. 8. All stacks for chimneys in connection with any wood fire shall have an efficient screen at their inlet-openings with meshes not more than $\frac{1}{4}$ inch in size.

SEC. 9. No unprotected heater nor open light shall be kept within any room or building wherein hay or straw or any highly inflammable articles are kept or stored. The minimum protection in such case shall be a permanent surrounding wire screen, with meshes less than $\frac{1}{4}$ inch.

SEC. 10. Steam-pipes shall be kept at least two inches from all woodwork, otherwise they shall be protected by a soapstone or earthen ring or tube.

SEC. 11. No gas, water or other pipe shall be let into the beams unless the same are placed within 36 inches of the end of the beams, and in no building shall be let into the beams more than two inches in depth.

Article XIII.—Sundry Deficiencies and Regulations.

SEC. 1. Under the term Mansard and Gothic roofs, used in this ordinance, shall be comprised all such roofs as have, with the horizon, a greater angle than 60 degrees. Roofs having a pitch of less than four inches to the foot shall be regarded as "flat roofs."

SEC. 2. All heights are to be considered as starting from the grade of sidewalks. The height of all buildings having flat roofs shall be measured from such grade of sidewalk to the highest point of roofs. The heights of buildings with roofs having a pitch greater than that of flat roofs, and less than that of Mansard roofs, shall be measured to the mean height of roof. Mansard stories shall, in all cases, be counted as full stories.

SEC. 3. The height of any story of a building shall be measured between floor joists. For any upper story, the measurement shall be the medium distance from floor joists to roof joists.

SEC. 4. The term "dwelling-houses" used in this act shall, in all cases, be so construed as to include only such buildings as are exclusively and solely used for residence purposes. The term "business building" shall embrace all such as are wholly or partly used for purposes of business, thus including, among others, hotels, theatres, and office buildings. The term "wholesale store" shall embrace all buildings used (or intended to be used) exclusively for purposes of mercantile business, or storage of goods.

SEC. 5. A basement story of any building is defined to be a story whose floor is 12 inches or more below the grade of sidewalk.

SEC. 6. Basement stories of less than 12 feet height, and attic stories of dwelling-houses, having an average height of less than seven feet, shall not be counted as stories under this act.

SEC. 7. Wooden flag-poles are permitted to be erected upon any building, but their braces and other parts, if any such be put on, shall be of iron.

SEC. 8. Where awnings are attached to buildings, the framework shall be of metal.

SEC. 9. Any scantling partition shall be regarded as fire-proof in case the same is plastered on both sides upon iron-lath or wire-cloth, and is also built in solid with brick, or hollow tile laid in mortar, or filled with grout, for at least eight inches high from floor; or in case the same is filled solid,

the whole height with brick, tile or concrete between the scantlings and plastered on both sides.

Article 14 prescribes the penalties of violating its provisions.

Article 15 provides for the enforcement of the act.

Article 16 prescribes special penalties.

(From the *Medical Record*.)

Medical Supervision,

IN DISTINCTION FROM MEDICAL SELECTION
IN LIFE INSURANCE.*

BY MOREAU MORRIS, M. D.

REPORT.

It is an axiom that careful medical selection is one of the main elements of successful life insurance business.

But although admitting its truth, it must be said, that, as the term "medical selection" is usually understood and applied by life insurance companies, it falls far short of fulfilling the conditions and accomplishing the results naturally expected from what is supposed to be its searching exactness, and is, comparatively, of but little real value.

This is by no means the fault of medical examiners, than whom there probably do not exist more careful, conscientious, painstaking men in any profession or walk of life.

But the great defect lies in the system or method of securing such information as is necessary to form the basis of a proper medical selection, and thereby to judge of the character of the risk.

The question of how to secure the best and most careful medical selection, has long been and still is apparently one of the most difficult to solve. It is the perplexing problem with nearly every life insurance company at the present day, and well it may be, in view of the rapidly increasing mortality rates in many of the older companies, and in the younger ones also—of the old plan.

As fond parents view with increasing alarm the rapid decease of child after child of their household from some mysterious fatal disease, they naturally look about for

* An extract from a quarterly report to the directors of a life insurance company,

superior medical skill to stay, if possible, the effects of the pestilence. Experienced and wise doctors are summoned to the bedside, and with grave, thoughtful countenances, they shake their heads and say, too late! The disease has sown its seeds, its ravages are telling with fatal effect; we cannot suggest better remedies, and unless transfusion of new blood may possibly save, death remains only a question of time.

The question of proper medical selection is indeed one of great significance; it is the corner-stone of the edifice of life insurance; its proper position in that edifice should be well considered; its texture and strength well tested and understood; and when once firmly fixed upon a well-grounded foundation it will remain sound and able to sustain the superstructure, of which it forms so important a part.

But with all due deference to experience, whose teachings often fail to be appreciated, it seems to be a patent fact that the solution of this problem must be sought for in other directions than simply by a change of men, or by more exacting medical qualifications.

No physical exploration can estimate an applicant's probable life expectation; no medical skill nor experience in detecting present disease or impairment can determine the presence of subtle inherited tendencies to disease that may have remained dormant through several generations, but which only await certain unknown influences to become developed in the applicant. True, as a detective discovers a trace of the culprit by some slight cue, so the medical examiner may detect that which has been concealed or unwittingly omitted in an applicant's preliminary statement, and thereby, perchance, save the company from a loss.

Hitherto, so far as ascertained, with one single exception, notwithstanding the acknowledged indispensability of competent medical aid, the medical department of life insurance has held only a position of secondary importance in the business. Common sense would seem to dictate that a business which depends for its success so directly upon a proper estimate of life's expectation

in every instance, should have within its executive department medical skill equal, if not superior, to that in its actuarial or financial branches, and such as only *special* medical knowledge and training can afford. It may not be that every medical man is competent for the business; for as in every other business or profession, there needs to be some special adaptation of person and knowledge in order to diagnose, classify and adjust the integral parts that control life's probabilities.

The laws of inheritance, as it regards health and disease, long and short life, etc., need to be well understood, closely studied, compared and applied. The elements of longevity, as well as of vitality, must necessarily enter into such accounts, and all the forces and influences that control and affect life and health must be considered and well weighed in the problem of estimating the probable life expectation in any given instance.

Human life is subject to so many contingencies; its continuance depends upon so many factors, which only expert medical knowledge can determine, and which cannot be determined by actuarial science, that, so long as the business depends, as it largely does at the present day, upon such uncertainties as are actuarial estimates, based upon general average mortality statistics, there need be no wonder that it cannot be conducted with permanent safety and success.

The application of special medical supervision is the only true safeguard. By it only can the estimation of the probable viability of individual risks be properly and safely given.

If all mankind indiscriminately could be insured, then might the calculation by average mortality risks be approximately correct, and assurance guaranteed by a company, even though with great *inequity* to the naturally long-lived; but as only a small proportion ever become insured, the risk is increased a thousand-fold by this erroneous basis.

Next to the fundamental error of conducting this business upon the "general average plan," has been that of keeping its medical

department in a subordinate position. That profession has not failed to recognize its true position, but the greed of speculation has so far succeeded in keeping it quiet. As a class, medical men are not practical business managers; their life studies lead them to shun the more busy marts, to hold out the helping hand, to succor the weak, to protect the infirm, to sustain the depressed and desponding, and they are ever pushed to the wall when they come in contact with keen, sharp, unscrupulous speculation. But as he who lords it over his fellows in competitive business pursuits, or in the wild excitement of stock gambling, will certainly some day beseechingly call for his more humble and long-suffering medical adviser for help from the effects of an overtaxed physical organization, so even now does the business of life insurance call upon its best friend for aid and counsel in its trembling, threatened apoplectic condition.

That the medical department needs to be reorganized there is no question. But its reorganization will avail nothing, comparatively, so long as the present methods of computing premiums and insuring lives upon the "general average" plan is persisted in. There must be a radical change in this respect or no equitable premium rate can be fixed.

Every means should be diligently sought and applied in the conduct of the business that truth, honor and equity demand, and when they are discovered and have been proved, 'twere worse than robbery to neglect their use.

In the first place, in every well organized company there should be a responsible, specially prepared, medical superior, holding equal authority and responsibility with any other of the executive officers. Upon his and their judgment should the proper premium rate be fixed upon each individual applicant according as *his own* individual characteristics may indicate *his* life's expectation; *his* vitality and longevity, to wit: *his* viability.

But, it may be asked, how is this single fact to be arrived at, as men differ so much in kind and quality? Certainly not by any

general average of thousands upon thousands of the same age; but by a close analyzation of all the facts and factors that pertain to this individual. There is the ancestral record; by it may be judged the average mortality age of his individual kind. He has inherited certain life processes which fix a term to his existence; he cannot live beyond them, he may shorten them. If he has done it, how and by what means? By dissipation, contracting incurable disease, overtaking his vital energies, dwelling in insalubrious districts, violating good sanitary laws, recklessness, useless exposure, or accident? Each and all of these elements of impairment must be weighed and judged as to their relative or combined influence in shortening the natural life term of the applicant under observation.

The preliminary step, then, should be to ascertain as far as it is possible from the ancestral family record of each person the ages of his living relatives, the ages of all who have died, and of what diseases they died. This record should include the grandparents always, and as many of the great grand-parents as any record can show. It is important also that these statistics should be clearly obtained on both paternal and maternal branches—such as uncles and aunts, brothers and sisters—giving their ages and conditions of health if living; if dead, age at death and cause of decease. So much of the details of the physical characteristics of each of those persons as it may be possible to get should also be recorded.

We have now presented before us a series of lives through which and with which this one has many characteristics in common; he is after, and one of, that kind. Whatever of life is inheritable is here shown; whatever of inheritable disease he may or will have, if there has been any, will almost certainly appear somewhere in this record; and if there has been none, have we not the fact almost indubitably established that in him there will be none; therefore there is very, very little risk in that direction.

The next question in order is, naturally,

the special constitutional characteristics of the individual, whereby we may judge from which branch of the parental house he inherits his strongest viability peculiarities, etc. These, in detail, include height, weight, equipoise, and both a general and minute descriptive picture of his outer person.

Habits, vocation, residence, intelligence, past and present health, and other incidental facts, such as army exposure, various residences that he may have had and their local diseases; injuries, whether permanent or trivial, etc., the details of which for want of time are here omitted.

To all these details, which fully illustrate to a critical eye the life picture, as well as the inherent tendencies, are added a general description of the person, giving his biometrical measures of the head, trunk, limbs, all of which form a complete record of the party. One accustomed to the analysis and synthesis of these elements of viability can readily form a very accurate judgment as to the probability of any person's life expectations.

In view of these considerations, no right minded and true man can dispute the fact, which his own intuition teaches him, that he has within himself potentialities, governed by certain fixed laws, which give a period to his existence; that in some it is naturally shorter and in others naturally longer than the general average of all mankind. True, this vital principle governing his longevity may be so interfered with as to deprive him of its full influence, or the accidents of life may suddenly cut it short. The laws of longevity being fixed, it is not a difficult matter, by the proper application of those laws, to estimate very closely the probable natural life expectation of any individual.

The facts to which we here refer show that there is something behind and beyond the present physical condition which governs and regulates the viability, and which must be sought for in other directions than by listening to the heart and lungs, feeling the pulse, taking the measurements of the height, ascertaining the weight of the body, etc. Men have inherited vitalities and dis-

eases which are constitutional; have habits which affect, vocations which modify, residences which promote or destroy health; they may be robust or feeble; they have idiosyncrasies inherited or not, instinct and intuitions, all of which are indicated by signs and manifestations hung out upon the outer wall for our reading.

The further problem then becomes reduced to the amount of impairment that may have supervened upon the proposed life, the effect of habits, or the accidental danger to which it may be subjected.

It is the perfection of detail following the true principles of life-governing circumstances, that alone can produce signal success in this business. It is the application of the principles of biometry with reference to natural longevity, and of those of medical science with reference to unnatural impairments, and of the experience of statistical facts to life's accidents, by the medical expert, that constitutes the working plan of all true life insurance, in the estimation of risks.

The following practical illustrations will perhaps more clearly exhibit the true value and status of expert medical supervision, in estimating the probable life expectation by which to fix a premium rate in any given case submitted for insurance.

In order not to confuse the mind with details, it will be perhaps sufficient that two extremes, exhibiting types of the best and the poorest cases insurable in ordinary average premium companies, should be used. Between these there exist every grade whose premium rate needs to be adjudged in accordance with the expectation of the person, and which cannot—in justice either to the company, its policy-holders, or the applicant—be adjusted by any general average table.

"Like begets like," and to calculate that the longevity of a class of men will be greater than the average of its ancestors is erroneous and unsafe. Persons descended from short-lived ancestry cannot beget long-lived children, and persons descended from long-lived healthy ancestors are unquestionably entitled to the benefits of this an-

cestral inheritance which—if not impaired by disease, physical defect, or excesses—most assuredly should place them in the superior grades, and entitle them to the lowest premiums.

F. D. S.—Age 33—Married.

Ancestral record:

Paternal—Grandfather died at 90, old age; grandmother died at 92, old age. Maternal—Grandfather died at 85, old age; grandmother died at 80, old age. Father living at 73. Mother living at 70. Paternal—Uncles, 3, all living, aged 62 to 70. Aunts, 1, dead; age, don't know. Maternal—Uncles, 3, living, aged 60 to 70; aunts, 2, living, aged 60 to 66. Brothers, none. Sisters, 4 living, aged 33 to 40. American. White. Good proportions. Compact. Height, 5 ft. 9 in. Weight, 175 lbs. Head, large, measures $5\frac{3}{4}$ in. through temporal fossæ; 1 in. from nasofrontal articulation to orifice of ear. Nose, large, long, expanded nostrils. Lips, long, red. Trunk, large, long, measures 25 in. Shoulders, square. Chest, expansion 3 in., well developed, round, long. Abdomen, medium round; girth, 35 in. Hips, broad. Back, straight. Limbs, medium size; muscles, hard. Hair, brown, abundant, coarse. Beard, lighter, coarser. Eyes, hazel, straight. Complexion, dark, clear. Features, large, regular. Teeth, sound. Neck, medium. Has had diseases incident to childhood only. Vaccinated well. Vocation, farmer. Born and always lived in Maine. Habits, correct and temperate, and always been so; never drank any distilled or fermented liquors; is a free liver; bathes weekly; gives attention to ventilation, especially of sleeping room; rises and retires regularly, early; meals regular; uses tea and coffee; never uses tobacco in any form. Health is now perfect.

Again,— J. J. A.—Age 21—Unmarried.

Presenting nearly the same personal characteristics as F. D. S., except height 5 ft. $10\frac{1}{2}$ in., weight 163 lbs., having same head measurements, length and size of trunk, and in perfect health, gives the following

Ancestral record:

Great grand-parents were all of them over 90 years of age at death. Paternal—Grandfather living now, aged 70. Grandmother living now, aged 70.—Maternal—Grandfather living now, aged 74; grandmother living now, aged 74; mother living, age 47; father living, age 47. No uncles or aunts on paternal side. Maternal—Uncles, 6, all living, ages from 25 to 47; aunts, 1 living, age 38. Brothers—2, aged 12, 21. Sisters—1, aged 23.

In this case it may be observed there has not been a death in the three generations since the great great grandparents, all of whom were over 90 years of age at death; and in the first instance given it will also be noted that there was but one death since the grandparents, none of whom died under 80 years of age.

In view of such records, is it not a violation of common sense, and all sense of justice, to charge a premium to either one of these parties upon the basis of the average duration of all human life? viz., at their actual age. Are they not entitled to a rebate on account of superior longevity, habits, physique, health? Most unquestionably. We will now present another illustration.

F. E. P.—Age 24—Married.

Ancestral Record:

Paternal—Grandfather died 83, gravel; grandmother died 50, tumor. Maternal—Grandfather living, 73, health good; grandmother living, 70, health good. Father living 52; mother living, 48. Paternal—Uncles, 4 living, 38 to 65; 2 dead, 3, 55. Aunts, 1 living, 40; 4 dead, 28 to 60. Maternal—Uncles, 3 living, 35 to 40; 1 dead, 20, fits; aunts, 3 living, 28 to 40. Brothers—4 living, 11 to 19. Sisters—1 living, 9; 1 dead, 11, dropsy. American. Height, 5 ft. 6 in. Weight, 134 lbs. Head measures $5\frac{1}{2}$ in., $4\frac{3}{4}$ in. Nose, medium. Lips, long, red. Trunk, medium, long, measures 24 in. Shoulders, square. Chest, well developed, expansion 3 in. Abdomen, medium round; girth, 32 in. Hips, medium. Back, straight. Limbs, medium; muscles, hard. Hair, brown, curly. Beard, lighter, finer. Eyes,

hazel, straight. Complexion, dark, clear. Features, medium, regular. Teeth, sound. Has had other diseases besides those of childhood. Vaccinated well. Vocation, meat market. Born in Maine, always lived there. Habits, correct and temperate; uses ale, has been intoxicated seldom, two years ago; attends to ventilation of sleeping room; rises and retires early; active; uses tea and coffee, weak; no tobacco in any form. Health, good; had some rush of blood to head years ago, none for three years; some kinds of food produce inconvenience, fresh fish; has piles, bilious colic once or twice a year; has chronic rheumatism at times; otherwise in good health.

We have here an example of fair ancestry, but with some constitutional impairment which crops out in his statements with regard to his own condition of health. In the account as posted up against him we find questionable points against ancestry, constitution, habits, vocation, health. These indicate the impairments natural and acquired, and all without a medical examination.

Is it necessary to go farther? Cannot a medical or even a non-medical supervision decide with pretty accurate judgment that the risk in this case is almost dollar for dollar?

Other, though dissimilar cases, showing specially the tendency of ancestral inheritance.

E. C. G.—Age 34—Married.

Ancestral record:

Paternal—Grandfather died 80, old age; grandmother died 43, stoppage. Maternal—Grandfather died 50, consumption; grandmother died, don't know age or cause; father living, 65, in good health; mother dead, 45, stoppage. Paternal—Uncles, 4 living, 41 to 63; aunts, 2 living, 60 and 30. Maternal—Uncles, 1 living, 55; 3 dead, 38—at sea, 50—consumption, 60—don't know cause; aunts, 1 living, 55; 2 dead, 45—consumption, 35—result of a cold; brothers, 2 living, 38; 2 dead, 14—hip disease, 6 months—don't know; sisters, 1 dead, 21—consumption; 6 living, 28 to 50. American. Height, 5 ft. 11½ in. Weight, 175 lbs.

Head, measures 5½, 5. Nose, medium. Lips, middling, long, thick, red. Trunk, medium long, measures 24¾. Shoulders, sloping. Chest, medium; expansion, 3 in. Abdomen, medium broad; girth, 35½. Hips, medium. Back, straight. Hair, Saxon, light, middling fine. Beard, darker. Eyes, light blue, straight. Complexion, fair, clear. Features, medium, regular. Teeth, sound. Has had fever and ague. Served in army four years. Vocation, brickmaker. Habits, correct and temperate; uses tea and coffee; smokes. Health, good.

W. W. R.—Age 25—Married.

Ancestral record.

Paternal—Grandfather died at 70, don't know cause; grandmother died at 70, don't know cause. Maternal—Grandfather died at 80, old age; grandmother died at 40, consumption; father died at 58, liver complaint; mother living at 60. Paternal—Uncles, 4 living, aged 50 to 60; 2 dead, 60—liver complaint, 60—don't know cause; aunts, none. Maternal—Uncles, 1 dead, aged 45, fatty degeneration of heart; aunts, 1 living, aged 70; 3 dead, consumption, aged 30 each; brothers, 3 living, 24 to 40. Sisters, 2 living, 24, 30; 1 dead (infant). American. Height 5 ft. 8 in. Weight, 140 lbs. Head measures 5½ in., 4¾ in. Nose, medium. Lips, short, red. Teeth, good. Trunk, long, 25½ in.; measures 37½ in.; expansion 3½ in. Chest, well developed, broad; Abdomen, 32 in. Back, straight. Muscles, hard. Fingers, well webbed. Foot, arched. Nails, slightly incurved. Hair, brown, fine, abundant. Beard, lighter. Eyes, light blue. Complexion, fair. Diseases, incidental to childhood only. Habits, correct, temperate, uses no spirits nor tobacco. Vocation, manufacturer of furniture. Born, and always lived in Maine. Insured in two life companies.

Remark by Medical Examiner:—This man has a splendid chest development, and no present indication of pulmonary diathesis.

These two instances exhibit so great a tendency to inheritable or transmissible disease, as appears from the ancestral record, that it would be entirely unsafe for any

company to insure them at actual age, and therefore they should be charged a premium in accordance with the unusual risk as estimated by the probably short expectation of life in each case. Yet one of them says he is insured in two life companies. Good for him, but bad for the companies.

It must not be understood that the ancestral record by itself is to be considered as the essential element in estimating a person's life expectation. It simply exhibits the potential inheritable vitality. It may or may not have descended to the proponent. But it is one of the factors by which the individual constitutional characteristics are to be elucidated in the further study of the personal characteristics of the individual's constitution.

The complete study of an individual's viability, or probable length of life, requires a further consideration.

Whether he has really inherited those constitutional characteristics inferable from his ancestry; whether, if possessed naturally, they have been continued, and whether they probably will be continued in him or not.

To judge of these facts requires a complete knowledge of his personal peculiarities, his habits, vocation, residence, intelligence, instincts, past and present health, all of which must be particularly described to form a complete basis for a proper estimation of his own personal longevity.

In the foregoing I have considered only those conditions antecedent to and independent of the medical examination proper. This examination presents, when carefully filled out upon a proper blank, an almost complete medical and physiological history of the applicant; it also affords an independent statement of facts, with which the interested statements of the applicant may be compared, and any error, intentional misrepresentation or falsification at once detected.

This blank may be filled up by any respectable physician, and, when considered in connection with all other information afforded by the applicant, and by his family physician's and friend's certificates properly filled out, places in the hands of the chief

medical officer such a combination of facts in regard to the party's life history, his antecedent inheritance respecting longevity and disease, etc., as afford an almost unerring basis upon which to form a judgment as to the true character of the proposed risk.

What I wish to explain more particularly is that the applicant's blank, carefully filled out in proper form, is quite as necessary, and, in fact, even more useful, than the medical examiner's blank filled out by him.

They are both pre-requisite to a perfect understanding of an applicant's viability, and the proper rating of the risk; but it is in the applicant's blank, rather than the medical, as usually found, that the greatest improvement is needed.

Indeed, the present medical blank of most of the companies would do very well for its purpose, but the applicant's blank, as we usually see it, is very deficient in many important particulars.

The medical blank should be intended as only correlative to the applicant's blank, as, indeed, it must be. It can afford only such additional "expert" knowledge of facts and conditions as an applicant might overlook or be ignorant of, in regard to his physical or pathological characteristics.

The chief prognostics of the viability of the *healthy* person must be found and can be found only in his own part of this application. The description of his ancestry and of himself to a great extent can only be furnished by him if it reaches the company through the medical blank; it is a repetition of some of the facts in his blank for the purpose of comparison at the home office, while it should be fully and in every possible way impressed upon the applicant that *he* must be honest in his statements and replies, and in good faith answer all the questions put.

It is found in practical experience that the medical blank is corrected by the suggestions of the applicant's blank quite as often, nay oftener, than the latter is corrected by any information gained from the former. It is also found better, as a rule, to have all that can be stated by the applicant put down by him on *his* blank, thus fixing the respon-

sibility for good faith upon *him* as far as possible; and this also saves the time of the medical examiner. Indeed, if the applicant's blank is properly drawn and filled out, giving all the details that the applicant can give about himself, it is seldom that anything can be added by the medical examiner in that respect.

Local Boards.

The following we find in the *National Board Bulletin*, of January, which explains itself:

Personal contentions among members of Local Boards are fruitful of inharmonious operations of any Board, and really subversive of the best interests of the Companies there represented. It too frequently occurs that a member will endeavor to shield his own wrong doing behind similar charges against another member of the Board; and should all Companies address their agencies in the terms of the following letter, a copy of which is now on file in this office, each agent would better realise that close attention to his own duties and obligations would work a reform better than justifying himself in wrong acts by the ill example of others:

January 8, 1875.

Gentlemen:—I acknowledge receipt of two letters from you, dated 5th and 6th inst. Both are in reply to mine of 4th. I am frank to say that I don't like their tone. My letter of 4th was intended for a friendly admonition that you and your local board were overstepping all bounds of propriety, by passing preambles and resolutions concerning the rulings of the Executive Committee of the National Board, which were disrespectful and rebellious, and which would lead to a general withdrawal of your commissions as agents unless speedily reconsidered and rescinded.

Your reply lacks every vestige of deference to the opinion penned by me for your benefit and the general good. It is simply a broad assertion of your right as agent to do as you think best.

I have no opinion to express about —, for they and their acts are not now under

discussion; your acts and the acts of your Local Board *are*. You hold our commission as agents, *under all the rules and restrictions of the National Board, and on no other terms*. If you don't like the terms we will relieve you of our agency, though we are free to admit that you are industrious, zealous and energetic agents.

But, if you would prefer to represent us, you must always bear in mind that this Company cannot be made a party to your business quarrels with rival firms, and you must carry on your competition with their Agency under all the rules and restrictions of the National Board, one of which is, that a Local Board cannot pass resolutions affecting the Tariff *to take effect before approval by the Executive Committee National Board*.

You may hate — as much as you please, but, as the representative of the —, *you must obey the National Board*.

Nor is this the slightest hardship. If — oppose a measure of your Board, they do it by *one* vote. If there is a majority against them, their vote does not prevail. But if a majority *acts without reason and only by the brute force of numbers*, their *one solid argument* before the Executive Committee may prevent the approval of the work of the majority of voters of your Local Board, unless that work is based on argument so solid that it will *show the fallacy of the position of the minority*. You may be very sure, that argument before the Executive Committee National Board will be earnestly sifted from the point of view of *safety in underwriting*. We have nothing to do with the question whether competing non-Board Companies will take a risk *at a rate and on conditions* cheaper and more accommodating than ours, and whether, therefore, our Agents ought or ought not "to hold their business" on equal terms. We are determined *not* to take any business *at rates or on conditions which we do not think safe*, and the Executive Committee National Board is the mouthpiece of our *binding opinion*. The sooner you learn that lesson the earlier will you reach a tenable position as an agent of capital devoted to underwriting, *but not to gambling*.

If you have followed me earnestly thus

far, you must admit that all the arguments of your letter of 5th are fallacious, for the whole of it turns upon the point that you think it proper that *individual agents should determine* the improvements in a risk and the reduction in rate, thereupon adequate. This is exactly what the National Board does not want done. National Board Companies agree to *forbid their Agents to subject Capital to the hazards of personal competition between Agents*. They agree to determine the *value of risks* FOR THEMSELVES, and to hold all Policies at the same value, thus preventing Agents from buying business by offering cheap terms than their competitors. Agents are to *represent the capital*; they are to convince the public that that capital affords a trustworthy protection against loss or damage by fire, and they are to get whatever preference they may attain to among their neighbors by their own good conduct, industry, and fair dealing. *They have no right to cheapen the protection offered by their principals.*

Concerning the fine imposed upon you by the Executive Committee, I again instruct you to pay it. You are the best judges whether to pay under protest or not. It seems to me that, if you read the Minutes of your Local Board Meeting of November 7th, you must confess that a sufficient number of deviations from rules has been proved against you, to make the fine imposed appear very lenient. I happen to know that twice the amount was recommended.

In your letter of 6th you detail a transaction concerning the insurance of — (such a risk.) I do not understand the formula you give for cash and note in Mutual Companies, and it is immaterial. The point in the statement which has value for the fraternity of insurers at large is — (the rival agents') wording of permits for "other insurance with —" (the rival agents' firm.) This seems an untenable ground assumed by that firm, and should be made the topic of a discussion in your Board, and of *official dispassionate* communication to the General Agent of the National Board, Mr. Thomas H. Montgomery, 156 Broadway, New York. The form adopted by him is offensive to all

National Board Companies not represented in that agency, and should be forbidden by authority. We may limit other insurance *in amount*, but we may not prescribe *where* a man may seek other insurance. That is against the comity among equals, which is the fundamental idea of the National Board.

But, as I said before, this letter does not discuss —, but yourselves, who would do well to remember that it is not safe to throw stones when you live in a glass house. The official record of your Local Board meeting of November 7 shows a number of convictions against you. The report of the Agent of the National Board affirms that of six charges five were sustained, and on one no evidence was heard. He also reports that, whilst you submitted those books for examination which referred to the proved charges, *you refused to show the books of other Companies*. All Board companies concede the right of the properly accredited Agent of the National Board to examine all the records of their agencies. You therefore erred in refusing some books, and you gave just cause for the surmise that the books concealed contained proof of violations of rules or rates which you were afraid to show.

In conclusion I beg to call your attention to errors specifically concerning this company, and which have been ordered corrected or the policies canceled. I am as yet without the final December accounts of our General Agent, and am therefore not able to say how far you have corrected these errors. I request that you will immediately examine our record, and report to me directly by next mail, if all our instructions have been complied with.

I trust you will receive this communication in the spirit in which it is written, and that henceforth you will proudly maintain the name of National Board agents without stain or reproach, and worthily represent our Company and

Yours truly,

President.

—Superintendent Blair, of the Insurance Department of Missouri, is dangerously ill.

Don't Kill the Goose.

The *Philadelphia Underwriter* of January 28th, contains the following sensible suggestions, all of which we heartily endorse and hope our companies will profit by the same. The *Underwriter* says:

All signs point to 1874 as having been a quite prosperous year for fire companies, whatever may have been the result to the life offices. Upon some accounts, we may almost say, this is just about according to the deserts of each. But that is not what we started out to discuss, and another time will answer as well for taking up that topic. Taking for granted that success and even an unusual profitableness has characterized the last year's work of the fire managers, it seems quite in order to give them a few words of timely counsel. We notice that all over the country there has been a dividend epidemic among the fire companies. In not a few instances, this has taken on a virulent form, as if stock-holders had become actually so ravenous as to want to eat up the whole concern, capital and all. Happily, all the companies have not been infected with the dire disease, but enough have to make a word or two of warning not amiss.

Underwriters, and their stock-holders more particularly, should bear in mind that the profits they are rejoicing over are, after all, only a trust to be honestly dealt with for the mutual benefit of the public and themselves. Because the companies complained (and most justly) that the former scale of premiums did not meet the cost of insuring, the public has acquiesced with the best possible grace in such advance of rates as the underwriters had the conscience to demand. But, meanwhile, there has been an implied agreement, on both sides, in the principle that the profits, if any, accruing from the increased premiums, should not be all paid away in dividends as fast as figured up, but should be salted down (after meeting a reasonable claim for the use of the capital) as surplus for the strengthening of the policy-holder's security. No definite arrangement has been made, to be sure, as to what proportion of these profits should be

devoted to each of the purposes named. But that some expectation was cherished of something being done after this sort is not only notorious, but, besides being essentially reasonable, was fed up by the underwriters themselves in the arguments by which they justified the sharp advance of rates. It was distinctly put forth, as a reason why the companies should have higher premiums, that otherwise they could not stand the pressure of even the average losses, to say nothing of extraordinary demands of the Chicago and Boston variety. This was the slogan, all through the period during which the National Board was ordering up rates all over the country. And it still remains the stock argument for keeping rates where they are. But, unless we are grievously in error, this little arrangement is not in process of being carried out in good faith by the companies as a rule. The disposition to make fat dividends, and so permit little or nothing of surplus to accumulate, for the better guaranty of policy-holders, is already too manifest to be encouraging to the latter. And we feel it a duty to urge upon underwriters a more conservative course, as being really their own true interest and that of their stock-holders. If present high rates are only to swell the dividends, without swelling the surplus funds of the companies, there will inevitably come a reaction which will sadly affect both rates and business. This we think is as clear as sunlight, and need not be argued. Will our underwriting friends just consider this?

The Mutual Life Insurance Company of New York.

We have before us the annual statement of this old and prosperous company for the year just closed.

The assets of this company on the 1st of January, 1875, foot up the enormous sum of \$72,446,970.06, with a total liability of \$68,406,527.95, leaving a net surplus of \$4,040,442.11.

The company issued in 1874, 12,756 new policies, covering \$38,126,906 insurance. Number of policies in force on the 1st of

January, 90,914, covering \$301,928,726. The number of policies terminated during the year was 8,258, leaving a gain of 4,498 policies. The total receipts for 1874 were \$19,587,153.30; total paid policy-holders for death losses, annuities and endowments, &c., \$11,469,708.53. The commissions, expenses, taxes, &c. for the year were \$1,593,190.84. The interest receipts of the company more than paid death losses endowment, by \$712,178.89. This showing should certainly satisfy the most credulous policy-holders that the Mutual Life is conducted by able, honorable and trustworthy gentlemen. The above figures should convince any one that the assets of this company are judiciously invested, else their interest receipts would not foot up the large sum of \$4,206,074.95. The above figures also show that the risks of this company are selected with great care, the death losses and endowments together being only \$3,468,645.79. As this company, with many others, withdrew from California and are therefore not compelled to make a report to the commissioner, we are unable to give the California business, but we have no doubt that if the companies could have remained, Mr. Forbes would have sent the home office a good business for 1874.

Any extended remarks from us in reference to this old, reliable and well known company would be superfluous.

National Life Insurance Co.

San Francisco, February 2d, 1875.

EDITOR COAST REVIEW: I see in the *Chronicle* (N. Y.) of January 21st the Seventh Annual Statement of the National Life Insurance Co., U. S. A. Will you permit me to ask you some questions in regard to that Company. During last year the National and Republic Life Companies consolidated, or at least that is what the officers termed the mongrel mixture which they seemed to have made of it. Before that consolidation the Republic re-insured the California Mutual of this city, obtained a considerable stock subscription here and did considerable insurance on this Coast. It

was reported to have assets of about \$2,500,000, of which about \$950,000 was in loans secured by bond and mortgage, and about \$600,000 in real estate owned by the Company. Immediately after the purchase of the National's Stock, which was effected by the officers of the Republic for \$1,237,000, or at a premium of over 25 per cent., the bond and mortgages of the National increased nearly a million dollars and its assets were rendered unexceptional throughout, and it was placed in the field and the Republic withdrawn. Now why was this done? Did the premium of \$237,000 paid for the National Stock reduce the already impaired capital of the Republic so low, that it could not do business any longer in any of the States? The New York Report for that year gave it a surplus of only \$496,091.14 as to policy-holders, and if we deduct the above premium from that we only have left \$259,091.14. To have this figure left, their building in Chicago had to be valued at about \$600,000. This they have sold to the National for \$400,000, thus reducing the above surplus to about \$60,000. Now, Sir, can you tell me what kind of assets, belonging to the National, were exchanged with the Republic for their mortgages? And will not the shrinkage in the present assets of the Republic render it largely insolvent as to policy-holders? In fact, Mr. Editor, was it really not insolvent as to policy-holders by about \$500,000 when that consolidation was first effected, and is it not the duty of the high-toned officers of this mongrel mixture to make a combined statement of the two companies in order that we policy-holders and stock-holders may know where we stand? We have been told that the "National-Republic" are one company, and if so, why is the statement of the National published and that of the Republic withheld? Have none of the Insurance Commissioners backbone enough to probe this vulture provender to the core and see if there cannot be something saved to the policy-holders as well as the managers; or is the combination a sort of Pacific Mail arrangement, whose agents are instructed to place the funds paid into the institution by the

thousands of policy-holders "where they will do the most good?"

But again: Why do the National men publish their statement on a *six* per cent. basis, when the law requires that they shall make it on a *four and a half* per cent.? Last year their published statement showed a surplus over capital of nearly \$200,000, while the New York report showed an impairment of capital of \$179,000; and this year they show a surplus of \$425,000, while the same report will again show a deficiency. Thirteen companies are buried in these two, and should THEY not be buried in some responsible concern themselves? Are not Cortwright and his crowd playing a high old game? Give us your opinion.

EMPEROR NORTON.

(We confess our inability to answer the above conundrums. The course pursued by the National Republic, and their statements, are alike a mystery to us, and they are, as Dundreary says, "one of the those things which no fellah can find out." Better apply to the home office for information on these points, and perhaps they will send an Irwin to see you. EDITOR.)

Will Whackem—Who is He.

The arrival of the January number of the *Insurance Monitor* created a considerable stir among the underwriters of this city. The occasion of the "flurry" was an article contributed by some one of our insurance men, under the *nom de plume* of "Will Whackem." This eccentric genius has taken upon himself the task of supplying the place of "McSilkey" and "Algonquin E. De Vallejo," who used to contribute to the columns of that journal from this Coast, and he has a very quaint way of putting things. He transported the editor of the *Monitor* bodily to our ostentatious "burg" and carried him around town, and gave him a formal introduction to the leading underwriters, and explained to him, in brief but telling sentences, the merits and demerits of each. There is a trace of favoritism and animosity in the puffs and personalities which sandwich each other so closely, but

while he made a few mistakes, he told a great many home truths, which do not set well on the sensitive stomachs of many of the parties, thus brought into prominence. These home thrusts elicited considerable comment, and the *Monitor* was very much sought after by the whole fraternity, and speculation was freely indulged in, as to whom the authorship of this peculiar and not indifferent letter could be attributed. Indeed, speculation is still rife upon this point. Nearly every one has been suspected by some one or other of the underwriters, but speculation is all as yet. Familiar as we are with the writings of the various underwriters, we confess our inability to fix upon the one who had the intelligence, impudence, and courage combined to pen such a letter.

The letter developed one thing, however, which was quite a surprise to us, viz: how few subscribers there are in San Francisco to the *Monitor*. It ranks as one of the best, if not *the best* insurance journal in the United States, and yet, leading underwriters were rushing from office to office, on the day of its arrival, to find a copy of it.

But there was one incident which surprised us even more than this fact, which occurred on that day. One of our underwriters was walking along California Street with another, when he asked, "Have you seen the *Monitor*?" "What!" said he, "the Catholic *Monitor*, around here on Sansome Street? Why, what's in it?" "Oh, no!" said he, "the *Insurance Monitor* of New York." "Why," said No. 2, "I didn't know there was such a journal." "The deuce you didn't," said No. 1, "then let's go around here to the COAST REVIEW office, and Edwards will show you a copy of it." "The COAST REVIEW office!" said No. 2, "Why, what the devil is the COAST REVIEW?" "Why, man! have'n't you seen the COAST REVIEW? That is our insurance journal here in town," said No. 1, and he forthwith brought the intelligent (?) broker in to see us.

Before this incident, the truth of which we can establish by a *child*, we should have been surprised to find a single under-

writer in this city who didn't know of the existence of the *Monitor*, but when we found one who did not know of the *COAST REVIEW*, we confess we were completely non-plussed. No wonder "Will Whackem" laid it onto the most of them so heavy, and if he can only get a few of the unsophisticated and the conceited ones to reading the journals, he will do good service to the profession.

Virginia City Correspondence.

VIRGINIA, NEV., Feb. 3d, 1875.

DEAR COAST REVIEWER:—There are few people on the Coast, at present, willing to admit having any great interest in the bonanza, but your correspondent has just banged his cash-box containing the shattered remnants of a wasted fortune, turned his back on the Comstock, determined for a while longer, at least, to make insurance a specialty. Am not alone in this resolution, but there are few honest enough to acknowledge, much less print it; (have followed the insurance business for the past ten years; honesty is natural.) My letter is just one week late; I intended to have written, asking the price of the *REVIEW*, the Bank of California and Palace Hotel; to-day am depending on the fumes of a neighboring restaurant for daily sustenance.

You ask for insurance news; the market is a drug; no new developments; better short the stock; too much water in the main drift; don't confound, (unless you hold Ophir that cost \$295, then it is no sin to be a *little more* emphatic,) the above with the stock list.

The country during the past month has been flooded from time to time, and during the intervals we have averaged three feet of snow, business consequently has been slack; agents are unhappy, while the property owner, with his stove-pipe sticking up through a snow drift, rests in perfect security. We are tunneling for these parties; however, and hope to make a good February trade.

The Home Mutual has lately established a branch here, under the dignified management of A. J. Brumsey, former agent of the Pacific Mutual Life, and appears to be doing a land office's business. From a con-

versation with the imperishable Bigelow, it appears his recent trip added very materially to the company's receipts.

The Phoenix and Home have quietly opened their agency in Nevada, appointing M. J. Henley as their principal agent. The appointment is a good one, as Mr. Henley is a live, go-a-head gentleman, fully up to his business, and "fail" is not in his dictionary.

Messrs. Edwards & Martin lately consolidated their Insurance interest and represent a strong team of Companies. Their natural advantages place them at the head of business in Virginia, and as they pay great heed to the Bible, Nevada Statutes and *COAST REVIEW*, are deserving of such position, never likely to go astray.

A few subscribers to the *N. Y. Monitor* in these "diggings" are chuck full of fun over one Will Whackem's January communication to that paper. Who is he? We have a natural relish for the man who can in the same breath get off such a blissful pack of unadulterated, condemned lies, and such a stack of soc-it-tuum wholesome truths. It is reported up here, that an indignation meeting is now in session, with one Hawes acting as chief striker, when it is proposed to charge a Howitzer gun with Connecticut nutmegs, and everlastingly annihilate the miscegenated cuss who had the temerity to "whack it to em" in such a manner. If this is actually going on, we thank our stars that Nevada furnishes us citizenship. If we were there to offer the wincing crowd advice, we should have them affectionately but revengefully induce the gay William to invest in the great *Bonanza*. That will shut the young man up close. The thought of it closes up

PORPHYRY.

—The annual statement of the Provident Life and Trust Company of Philadelphia, with a capital of \$700,000, shows assets January 1st, 1875, of \$4,157,197. The business of 1874 shows new policies issued 1296, covering \$4,403,972 insurance. The above figures do not represent the annuities or moneys held in trust, that being kept in a separate account.

TABULAR STATEMENT OF CALIFORNIA FIRE AND MARINE BUSINESS FOR 1874.

NAME OF COMPANY.	LOCATION.	RISKS WRITTEN IN 1874.		GROSS PREMIUMS RECEIVED.		RISKS IN FORCE.		PREMIUMS ON SAME.		LOSSES PAID IN 1874.		PERCENTAGE of Loss to Premiums Received.
		Fire.	Marine.	Fire.	Marine.	Fire.	Marine.	Fire.	Marine.	Fire.	Marine.	
Local Companies.												
California.....	San Francisco.....	2,819,738.00	3,593,574.00	41,453.44	121,516.14	2,897,744.00	727,600.00	48,345.75	5,812.25	2,000.14	76,540.17	63
Commercial.....	San Francisco.....	9,485,484.00	1,573,347.58	158,330.82	85,567.04	8,492,606.50	754,639.00	140,384.24	60,787.50	33,451.02	24,433.01	21
Fireman's Fund.....	San Francisco.....	10,339,620.00	4,207,257.00	100,500.51	135,958.18	9,314,624.00	949,792.00	137,721.20	63,571.83	46,807.73	49,457.54	29
Home Mutual.....	San Francisco.....	21,199,330.00	4,837,153.00	310,240.70	71,944.37	18,392,637.00	481,506.00	303,816.01	22,207.35	80,006.05	18,963.08	23
Slate Investment.....	San Francisco.....	13,916,331.00	1,322,448.00	214,014.83	77,188.85	12,595,245.00	379,375.00	194,704.03	58,258.20	64,434.71	33,192.71	43
Union.....	San Francisco.....	13,641,983.00	10,714,959.00	175,451.94	175,554.00	11,194,832.00	1,249,025.00	156,541.85	38,483.35	30,173.33	36,783.39	21
Eastern Companies.												
Aetna.....	Hartford.....	7,483,836.00		107,183.93		6,961,507.00		110,890.33		29,780.37		22
Amazon.....	Cincinnati.....	673,584.10		9,470.17		507,144.10		8,615.87		4,892.57		51
American Central.....	St. Louis.....	972,252.00		15,532.30		775,027.00		13,068.15		1,122.31		7
American Fire.....	Philadelphia.....	494,511.00		9,347.00		425,202.00		8,843.00		1,905.20		20
Atlas.....	Hartford.....	713,399.66		15,171.20		555,597.45		12,781.65		1,477.84		10
Citizens Ins. Co.....	St. Louis.....	289,594.00		6,702.09		288,500.00		6,702.09				
Clay.....	Newport, Ky.....	236,368.90		4,193.55		136,500.60		2,670.23		68.18		1
Connecticut.....	Hartford.....	534,200.00		6,701.54		502,350.00		6,075.84				
Continental.....	New York.....	723,441.00		11,786.02		658,011.00		11,180.87		928.50		8
Franklin.....	St. Louis.....	628,965.00		15,725.38		569,075.00		14,688.06		441.45		3
Farmers Hall.....	Boston.....	256,416.66		3,494.72		217,415.66		3,428.94				
Fire Association.....	Philadelphia.....	1,292,027.00		18,905.00		1,007,733.00		15,121.34				
Franklin.....	Indianapolis.....	290,886.18		5,195.70		215,751.87		3,941.79		147.08		3
Girard.....	Philadelphia.....	464,449.33		6,005.95		435,674.33		5,881.90		3,919.62		65
Germania.....	New York.....	665,679.00		11,707.27		651,420.00		11,688.04		184.95		2
German American.....	New York.....	473,931.00		7,805.31		430,211.00		7,541.99		824.00		10
Globe.....	Chicago.....	950,102.00		21,319.08		836,627.00		21,111.31		1,427.20		10
Hanover.....	New York.....	695,173.00		11,707.27		631,420.00		11,528.04		1		1
Hartford.....	Hartford.....	4,507,723.70		67,011.55		3,853,970.00		62,987.83		26,004.68		40
Home.....	New York.....	2,830,327.00		48,532.38		2,380,939.00		45,345.53		11,034.93		23
Home.....	Columbus.....	498,581.45		7,301.61		387,833.12		6,714.79		1,307.08		19
Ins. Co. of North Am.....	Philadelphia.....	843,440.00		14,398.03		730,981.00		13,462.03		2,470.53		18
Kansas.....	Leavenworth.....	333,515.68		6,811.21		319,619.97		6,049.91		4,662.95		68
Lamar.....	New York.....	106,000.00		2,025.10		113,250.00		1,804.54				
Lorillard.....	New York.....	532,700.00		8,599.75		430,075.00		7,003.09		168.87		2
Mercantile.....	Chicago.....	531,484.85		15,816.39		473,532.15		12,730.26		4,940.69		31
Merchants.....	Newark.....	607,120.00		10,595.60		514,239.00		9,588.12		1,638.96		10

Meriden.....	644,582.32	9,280.93	521,365.66	7,116.66	4,293.38	46
Mississippi Valley.....	523,156.16	13,853.55	431,168.65	11,489.38	5,392.02	39
New Orleans Ins. Co.....	278,158.00	5,896.90	223,370.00	3,435.00	.....	11
New Orleans Ins. Ass.....	1,940,456.34	26,425.25	1,913,987.00	25,217.81	17,961.25	13
Nagara.....	534,527.00	5,490.29	529,177.00	95,156.35	3,003.47	10
Pacific Mutual Marine.....	.....	.....	.....	543.50	.....	17
Penn.....	736,093.25	19,094.45	633,858.84	1,471.95	2,637.37	52
Philadelphia.....	736,093.25	1,516.70	73,000.00	1,516.70	602.33	40
People's.....	.....	.....	.....	.....	.....	.....
Phenix.....	529,150.00	6,795.35	457,750.00	6,273.69	.....	36
Phenix.....	6,172,182.00	111,996.00	5,915,815.00	110,273.04	40,513.31	.....
St. Joseph Fire & Mar.....	136,940.00	3,779.25	116,340.00	2,898.76	.....	36
St. Louis.....	187,705.00	3,955.07	133,955.00	3,438.44	1.38	.....
Springfield Fire & Mar.....	1,070,590.00	13,524.53	941,119.00	9,545.20	5,394.07	39
St. Paul.....	999,805.53	19,400.65	914,151.58	17,693.20	7,293.75	38
Trador S.....	274,740.00	4,513.09	174,010.00	3,250.97	.....	.....
<i>Foreign Companies.</i>						
*British & For. Marine.....	16,157,480.00	351,760.82	10,001,025.00	184,953.00	18,310.19	5
Commercial Union.....	13,591,195.00	249,159.25	10,001,025.00	149,519.00	54,301.45	22
China Traders'.....	1,089,802.50	9,193.03	.....	1,241.18	.....	.....
China and Japan.....	.....	6,431.18	65,942.01	1,367.87	.....	.....
Chinese.....	.....	.....	8,787,624.93	137,577.88	47,538.28	32
Hamburg-Bremen.....	10,096,873.00	149,635.08	7,108,851.08	110,108.76	35,072.08	27
Imperial.....	9,701,943.58	132,116.00	18,310,361.00	275,612.22	114,049.85	39
Liverp., Lond. & Glob.....	19,402,968.00	289,520.60	.....	.....	.....	.....
Liverpool.....	.....	.....	687,822.50	14,418.00	379.05	2
London.....	390,430.00	19,224.13	4,701,102.00	76,124.25	17,830.74	21
London & Lancashire.....	5,541,450.00	84,800.64	.....	.....	.....	.....
Maritime.....	1,515,757.00	35,496.85	1,084,137.00	66,200.45	5,191.23	8
Northern Assurance.....	4,093,164.00	68,319.50	3,354,140.00	66,200.45	11,314.23	17
North British & Merc.....	4,327,815.00	61,815.66	3,815,578.00	251,031.39	6,942.77	9
Queen.....	5,911,993.58	81,000.60	5,394,690.08	75,034.12	.....	.....
Royal.....	1,183,175.00	16,836.50	1,074,775.00	10,181.70	.....	25
Scottish Commercial.....	1,496,567.00	29,519.05	1,124,425.25	22,133.25	7,349.45	.....
Swiss Fire.....	480,380.00	9,212.00	467,380.00	9,003.25	.....	.....
Swiss Lloyd.....	.....	.....	.....	22,719.20	10,000.80	13
Switzerland Marine.....	.....	.....	.....	1,747.77	.....	36
Transatlantic.....	4,051,592.00	75,972.75	3,390,507.00	67,113.65	26,797.16	7
Transatlantic Marine.....	.....	.....	285,042.00	5,232.11	3,495.77	.....
Union Marine.....	.....	.....	1,083,157.00	26,937.61	.....	.....
Yang Tse.....	2,469,681.00	21,018.00	100,000.00	.....	.....	.....
<i>Recapitulation.</i>						
Local Companies.....	71,403,486.00	1,000,261.24	607,725.58	987,515.10	259,372.00	24
Eastern Companies.....	31,847,954.18	730,790.28	39,049,031	664,461.29	8,251.13	36
Foreign Companies.....	80,730,585.16	1,297,192.75	602,383,535	1,112,765.01	31,815.82	11
Grand Total.....	184,012,026.34	3,118,353.28	1,309,361.56	8,773,470.35	275,637.98	25

*The larger portion of the losses are made payable at foreign ports, therefore this agency is not advised as to amount of losses on business taken at this office.

Letter From St. Louis.

ST. LOUIS, Jan. 23, 1875.

Editor Coast Review:

During the few weeks past I have been favored in the several opportunities to witness the working of the Fire Patrol, and the salvage corps system, of the Eastern Cities. I trust the readers of the "REVIEW" will take sufficient interest in the system to investigate it as I have done. As they may not all have as favorable an opportunity, permit me to give you and them some idea of their working, having witnessed it in Providence, Boston, New York and St. Louis. The objects of these departments are, to save life and property; for these purposes they are provided with stations in which are kept a wagon, built expressly, horses trained to the work, also men. Each wagon is provided with rubber covers, say 40 covers, 14 by 18 feet, with which to cover goods, to secure them from water damage, brooms, etc., to clear out all water from premises after the fire department has discharged its duties, and, in fact, to take care of, and save damage to property in every way possible. These wagons, the men and horses and being trained to the work, very frequently succeed in reaching a fire and putting it out before the engines arrive; as they are so much lighter than the engines, of course are more speedily handled. Some idea of their activity may be gathered by reference to what I witnessed in Boston. Their department is called, "Boston Protective." Through the courtesy of L. W. Kinsley, President of the department, I witnessed at one of his stations a pair of horses hitched to the wagon, driver seated and ready to start, in eleven seconds. The horses were standing in their stalls, the wagon some twenty feet in front, the alarm gong sounded, when, in the time mentioned the team and men were all ready to start to a fire. At an actual alarm, the same team were hitched up, started and passed the old State House, eight blocks distant from the station from which they started, in one minute and forty-eight seconds from the time the alarm gong struck.

In New York Superintendent Montgomery, of the National Board of Underwriters, introduced me to Superintendent of the Fire Patrol, Capt. Wilson, who, together with one of the General Committee, Mr. Boughton, of the well known firm of Skeels & Boughton, took me to two of the Stations of the New York "Fire Patrol," where I witnessed their working, viz: at about 11 P.M., when the men were asleep on the second floor above the stable, the alarm was sounded, and in sixteen seconds the horses were hitched and ready to start, with the men all up, dressed, down stairs and in the wagon, ready to go. The horses were standing in their stalls sixty feet distant from the wagon when alarm sounded; the horses were then unhitched, but left standing by the wagon pole; the gong was struck, and in two seconds the horses were hitched, driver seated and all ready for start. Several other maneuvers were gone through with, with similar results as to time, etc. The men are thoroughly drilled, much like military so far as the discipline goes. After some time spent in their experiments or drill, the men were "right about face," hats off, when they were addressed by Capt. Wilson, who formally introduced Mr. Boughton, who of course made them a speech, (and were it not for the horses, etc., I could have imagined myself in the U. S. Senate,) which was well timed, and was well received. At a rather late hour, (for time passed quickly being so much interested.) We repaired to Delmonico's, where I soon learned that Boughton loved oysters as well as Capt. Wilson or myself. Before daylight, however, they bade me good night, and I thank them heartily for the gratification and satisfaction they afforded me, as well for the oysters, etc. In St. Louis I went in company with Geo. T. Cram, President of the American Central Insurance Co., who was also the first President of the St. Louis Salvage Corps, that being name of their department, to their station house, where I witnessed a similar work of their Corps, viz: from the time of the sound of the alarm gong, their team was hitched up, driver seated and all ready for starting in eleven seconds; and the horses standing at the pole,

were entirely hitched and ready to go in one and three-fourths seconds. These movements are similarly carried out in all particulars, going to and while at fires. Space and time will not permit me to give you full detail; suffice it to say, their departments are a complete success, and their importance so highly regarded, that nothing could induce the cities or underwriters having them, to give them up or abandon them. I only wish our insurance stock-holders, officers and agents, could see their working as I have done, when I am sure San Francisco would not long be without a department.

I desire to say also before closing this letter, that my observations strengthen my opinion, that the National Board of Fire Underwriters commands, and has the respect of almost every business man or property owner in the country. The general expression is, that in the permanence and perpetuity of that Board lies the protection and safety of property, and the better security of commercial interests, and one is led to the belief that all companies not members of the Board will take the risk of being called "Wild Cat."

Yours,

E. D. F.

Home Mutual Ins. Co.

We present elsewhere in this issue the annual statement of the above company for the year ending December 31st, 1874. This company has made some changes in the business in the last twelve months, such as reducing the capital from \$750,000 to \$300,000 cash capital, \$187,500 of which is paid up, and the remainder secured by approved notes. The company, by action of the Board of Directors, ceased writing marine risks on the 1st of January, 1875. The cause for this change is not known to us, but we presume that the stockholders and officers concluded marine underwriting, whatever the profits to other companies might be, it was not remunerative in theirs. The company in the last year has established a branch of their office at Virginia City, with Mr. J. A. Bumsey, manager, and one at Oakland, under the supervision of R. H. Magill, Esq.; also, a branch at Napa City, with R. H. Sterling, Esq., as Secretary and

Manager. We are informed that the Oakland branch has proved exceedingly profitable for the short time it has been running, showing premiums received in three months \$12,000, on which there was only \$800 of losses. With the combined experience and energy of Messrs. Bigelow and Magill, the Home Mutual should become one of the leading California institutions.

The assets on January 1st, 1875, foots up \$571,229.04, with a total liability of \$217,199.53, leaving a surplus as regards policy-holders of \$354,024.51. The total receipts for 1874, were \$380,604.29, with total expenditure of \$249,709.56, of which the fire and marine losses were \$99,059.14, and \$37,500 in dividends to stockholders, the remaining portion of expenditures being for commissions, taxes, salaries, etc.

The re-election of Mr. Houghton as President, and Chas. R. Story, Esq., as Secretary, evidence that the Directors are satisfied as to their ability to manage the affairs of the company.

A Disaffected Agent.

In another column will be found an article from the *Western Insurance Review*, showing the status of one of the oldest Insurance companies of New Orleans. We are not fully advised of the cause of "discharge of the prominent agent," though our information is of a character that indicates that the agent was not discharged a moment too soon for the company's good—yet, spite of anything that agent may have done, the figures show that the Factors and Traders of New Orleans has proved itself an institution having the confidence of communities wherever it was known, or has done business. We opine that when the facts concerning the soured agent's discharge shall come out, he will not be presented in a very amiable light, and will doubtless learn too late, that his passion has overcome his judgment, and that discretion would have served him a better purpose.

When the discharged agent put the ridiculous enquiry, contained in his circular, he certainly could not have been aware—else his memory was treacherous—that one of

the oldest and most successful companies in the United States, was organized in New Orleans in the year 1805, while Louisiana was yet a territory, and that company, we mean the New Orleans Insurance Company, has been in successful operation up to this time, and is now doing a large and paying business. She has paid since her organization over \$6,000,000 in fire losses, and for the 69 years she has been at work, she has paid an average dividend of $17\frac{1}{2}$ per cent. to her stock and policy-holders. Her reputation for fair, prompt dealing, equity in the settlement of her losses, and perfect integrity in all transactions, has always been recognized. The assets of the New Orleans Insurance Company now amount to over \$700,000. With such a status the community need have no fear of her future, and certainly will find it difficult to obtain better security than to hold her policies.

Fire Insurance in California in 1874.

We present elsewhere in this issue a record of the fire insurance business of 1874, in this State. Like 1872 and 1873, the record is a good one, and it demonstrates the fact that whatever of disaster or misfortune has befallen any of the companies represented here, the blame cannot be ascribed to the California Agencies. Of the 71 companies represented, only two paid losses exceeding *sixty per cent.* of the premiums receipts, and *only four exceeded fifty.*

The business of 1874, as compared with 1873, shows as follows :

	1873.	1874.
Fire risks written.....	\$184,345,589	\$184,012,026
Premiums received.....	3,149,050	3,118,253
Marine risks written.....	56,923,425	60,309,295
Premiums received.....	1,172,478	1,309,361
Fire risks in force.....	144,169,102	146,872,949
Premiums on same.....	2,571,349	2,764,441
Marine risks in force.....	6,064,056	8,773,970
Premiums on same.....	303,609	349,594
Fire losses paid.....	771,018	768,337
Marine losses paid.....	308,498	319,910

It is somewhat interesting to note how nearly equal are the figures of the two years. The fire risks written come within less than half a million of each other, and

the premiums received do not vary but a few thousands, while the losses paid in 1874, only exceed those of 1873 by a little over three thousand dollars. The differences are scarcely worthy of note in any of the items.

But as a better criterion to judge the results of the business by for a period of four years, we present the following percentage of losses paid to premiums received for the years named :

	1871.	1872.	1873.	1874.
Local companies.....	18.77	43.33	21.09	23.02
Eastern companies.....	61.33	26.62	24.70	25.13
Foreign companies.....	91.11	32.55	28.30	25.21
Average of all.....	77.07	34.16	24.16	24.63

Thus it will be seen that 1871 was a very unprofitable year to the underwriters on this Coast as well as in the East. But the record of that year is not worse than it was for several previous years. In 1872 the business was profitable, the margin for expenses and profit being nearly sixty-six per cent. of the premiums received. The years 1873 and 1874, show nearly the same ratio, and are remarkable in the history of fire underwriting on this Coast. It is to be hoped that the present and future years will prove as profitable, and that the general status of the business will improve with each year.

State Investment Insurance Company.

Our readers will find elsewhere in this issue the third annual statement of the State Investment and Insurance Company of this city, as made to Insurance Commissioner, on 31st of December, 1874. The company shows assets amounting to \$409,607.75, with a liability, except capital, of \$147,266.03 or a surplus over and above capital stock of \$62,331.72, which is a very satisfactory showing.

The income in 1874 was \$321,954.60, with total expenditure of \$228,765.54, of which \$71,977.54 was fire losses and \$83,192.71 for marine losses, and to stockholders the sum of \$36,557.50 as dividends, all of which should be gratifying to the stockholders. The salaries, taxes, commissions to agents, clerk hire and other office

expenses are the items which consumed the balance in the item of expenditures.

The State Investment confines its business to the Coast, and so far have been exceedingly fortunate in the matter of losses, and we hope they may continue so, which can only be accomplished by getting good rates, carrying small lines, well scattered.

The re-election of the old officers is evidence that the stockholders and directors have confidence in the present managers.

The company has paid its losses promptly and dealt with its customers in that business-like and honorable manner, which has won for them a good reputation, and placed the company among the first on the Coast.

The Pacific Mutual Life Insurance Company.

We have received the annual statement of this California company for the year 1874. The showing is as follows: Assets on the 1st of January, 1875, \$1,229,522.55, with a total liability, except capital, of \$777,644.30. The company's receipts for the year were:

Cash received for premiums on policies during the year.....	\$285,187 50
Cash received for interest on loans.....	69,483 40
Policy fee.....	775 00
Gross amount of notes taken on account of premiums.....	28,047 31
Cash and note income.....	\$89,493 71
Deferred net premiums in transit and in course of collection.....	42,607 63
Total income.....	\$426,101 34
Gross disbursements, exclusive of management, were:	
Paid to heirs of policy-holders.....	\$64,778 90
Paid dividends of policy-holders.....	22,038 03
Paid surrender values.....	27,047 11
Paid dividends to stockholders.....	13,333 33
Paid premiums for reinsurance, less commissions.....	1,145 15
Paid taxes.....	1,150 00
Paid annuities in commuted commissions	96,666 00
Paid advances.....	1,237 95
Paid furniture and fixtures.....	3,368 80
	\$231,365 27

EXPENSES OF MANAGEMENT.

Commissions to agents.....	\$39,192 80
Medical examinations.....	5,338 22
Salaries and other compensation of officers and employees, including all office and agency expenses.....	40,411 92
Office rent.....	888 80

Printing and advertising.....	5,984 53
Postage and revenue.....	389 57
Total expenses.....	\$92,205 82
Voided by lapse of policies.....	\$10,888 85
Number of policies issued during the year.....	952
Amount insured thereby.....	\$1,991,792
Total number of policies in force.....	3,019
Total amount of insurance in force.....	6,561,891

The Trust Fund Insurance Association of this city is sending the company a very large business, and it is confidently believed that the new business of the Pacific Mutual for 1875 will double that of 1874. The company is now in the hands of J. H. Carroll, Esq., vice-president, who is a thorough business man and fully competent to look after the company's affairs. The present secretary is Mr. A. C. Valliant, who has been connected with the company for some years, and understands the details perhaps better than any one now connected with the office. B. D. Kennedy, Esq., is the actuary of the company, and ex-Governor Leland Stanford is still the president.

The Union Mutual Life Ins. Co.

Through the courtesy of Messrs. H. H. Johnston & Co., General Agents, we received a copy of the Annual Statement of this old and substantial corporation, and we must say that the report is a good one and speaks well for the managers of this Company.

The assets on the 1st of January, 1875, amount to the healthy sum of \$8,874,858.46. The total receipts of the Company for the year, amount to \$2,408,699.74. \$558,538.74 being interest money, while the death losses of the Company were only \$453,631. Excess of interest receipts over death losses of \$104,905.74. The assets of the company are of a first-class character, \$4,875,624.38, being loaned on bond and mortgage. This Company for the past twenty-five years has moved cautiously, using judgment in selection of risks, as their death losses from year to year has shown, guarding carefully the money placed in their hands, for the benefit of the widow and orphan, and in every way conducted the business in such a manner

that even the worst of Black Mailers have studiously avoided any unkind remarks about its officers or agents. The Pacific Department of this Company, is in the hands of H. H. Johnston & Co., who have done good work for the Company, and stand among the leading agencies on the Coast.

Union Insurance Company.

The annual statement of this staunch California company, for the year 1874, has been placed before the public, a careful perusal of which will satisfy the insuring public of this company's ability to meet its obligations.

The assets of the Union on the first of the present year, amount to \$1,060,296.31 with a total liability except capital of \$293,159.23. The total income for the year was \$406,704.44, with a total expenditure of \$319,809.53, of this amount \$173,520, dividends were paid to stock-holders. The fire losses for the year were \$32,576.33. Marine losses, \$36,783.39.

The assets of the Union are first class, and the officers are men of experience and ability and fully deserve the patronage and confidence of the public.

—The case of H. S. Crocker vs. the Widow and Orphan Fund Life Insurance Company was tried a few days since in the Twelfth District Court in this city, and resulted in a disagreement of the jury. This was a suit brought by H. S. Crocker to recover a policy of \$10,000 on the life of Thomas Springer, and payable to Mr. Crocker, issued by the above company. The company refused to pay the policy on the ground of fraudulent statements made by Mr. Springer in application for the above policy, and if there ever was positive evidence of fraud on the part of the applicant for insurance, in our opinion the evidence in this case is the clearest; but the jury, notwithstanding, failed to agree. As our first insurance form was in press when this case closed, and space and time will not permit of all the facts in this issue, we promise our readers full particulars in our next number.

CHIPS.

—Messrs. J. E. Jones & Co., of Reno, Nevada, have lately added the insurance business to that of stock broker representing the old Home, of New York as a leader.

—H. T. Hewitt Esq., of Santa Rosa, Cal., has been appointed agent of the Commercial Insurance Company of this city. Mr. Hewitt is a first-class business man and stands well as such in Sonoma County.

—We have received a copy of *The Observer*, formerly the *Avalanche*, published by Bowen & Bowen at Philadelphia. As we have previously stated, the East is in great need of insurance journals, and we know of nothing that will prevent the *Observer* from becoming one of the leading insurance journals of America.

—Harry Clarkson, Chief Clerk in the insurance department of Kansas, has been appointed insurance commissioner for the State, vice E. Russell, resigned. Mr. C. is spoken of as being a fit man for the position, and we hope he is; wish we had one for California.

—The January number of the *Northwestern Review* comes to us in new form, new name, and from a new quarter, but the same old editor, Rev. R. R. Dearden. The new name is the *United States Review*, published in Philadelphia and then in Chicago. The *Review* presents itself in an improved condition typographically, and editorially, but we confess we like the old form the best.

Brother Dearden still remembers the Protection Life of Chicago in a small notice or two of 2 or 3 pages, in which his affection for the Protection is only excelled by the interest he manifests towards those who are duped into this concern.

—The Home Insurance Company, of New York, has made its forty-third semi-annual statement, showing the financial condition of this old, reliable and prosperous company to be most satisfactory on the 1st day of January, 1875. The assets of the Home foot up the handsome sum of \$5,627,445.23.

After paying their usual semi-annual cash dividend of 5 per cent., the company has declared a stock dividend of 20 per cent., increasing the capital from \$2,500,000 to \$3,000,000 cash capital, which is the largest cash capital of any American fire company, doing strictly a fire business. The promptness with which the Home meets all its obligations, together with its judicious management, has placed the company in the front rank of American corporations.

—The following *extraordinary and alarming* dispatch was hearded across the continent on the 1st inst., and published in the *Bulletin* of this city:

“NEW YORK, Feb. 1st.

“The American Fire Insurance Company has given notice of withdrawal from the Board of Fire Underwriters. The President of another company, and a member of the Board, says he is not surprised that the American Fire Insurance Company should go out of the Board, and he felt certain that others would soon follow, leaving the Board merely a shadow of an institution.”

Is this designed as a shrewd advertising dodge for the American, which takes this course to announce to needy agents abroad that it invites proposals as a non-board company?

We understand that withdrawals from and accessions to Local Boards are matters of frequent occurrence. We do not learn that the local companies of San Francisco which withdrew from the Local Board of the city last summer, heralded their action to the East, or that the opinion which *might have been* expressed by the President of the last seceding company, that because *he* had withdrawn his \$300,000 capital from the “combination,” that organization must of necessity go to pieces, has been realized in any sense.

—The annual report of the Chief Engineer of the Fire Department of Philadelphia shows that there were 581 fires during the year 1874, with a loss of \$741,608—the insurance being \$4,061,072. In 1873, the losses were \$938,450; in 1872, the losses were \$2,360,820; and in 1871 the losses were \$1,275,143.

—The New York Underwriters' Agency comes out with their annual statement for the year ending December 31st, 1874, being the first statement of the new organization.

The assets of the companies composing this Agency, on January 1st, 1875, aggregate the sum of \$2,968,494.43, being an increase of \$644,829.68 since last annual statement.

The premiums received by the companies during the year aggregate \$2,066,787.17, being an increase of \$505,157.12.

The above statement establishes the fact that this office has, in the main, retained the entire business of the old organization.

The San Francisco agency of this company, managed by W. J. Stoddart, shows total receipts for 1874, \$23,414.74, with only \$369.90 losses, which should be entirely satisfactory to the managers in the East.

—Among the many companies establishing agencies in this city and claiming a portion of the liberal patronage of our worthy citizens, we note the coming of the French Insurance Corporation, represented by Mr. Edward Brown, of Philadelphia. Mr. B. has opened an office at 310 California Street, and we judge from short acquaintance that he is a man who understands his duties as an underwriter and a gentleman. The French Corporation is one of the largest and oldest of the French companies. It has a capital of 12,000,000 francs, with 7,200,000 paid up in cash, and balance secured by judgments according to the national laws. The Corporation has \$100,000 deposited in Philadelphia for the protection of American policy-holders.

—It seems that our neighbor city across the Bay has become the headquarters for a class of persons who have engaged in the business of arson, and they seem to be actively engaged at the same, having made several attempts to destroy the city in the last few weeks, but so far without success, except slight damage, which was covered by insurance. The Board of Underwriters of this city has offered a reward of \$1,000 for the arrest and conviction of any person or persons guilty of arson. San Quentin is a place too good for these fiends to make their home.

—L. L. Bromwell, Esq., the efficient Supt. of Agencies for the Phoenix of Hartford, and Home of New York, for this Coast, has just returned from a three weeks's trip to Nevada, where he established an agency for his companies. Mr. B. reports things lively in the bonanza district.

—Mr. B. C. Dick has returned from the East with the agency of the Home Insurance Company, of Newark, N. J.

The Home is highly spoken of by reliable men in the East, and has for its San Francisco reference, Donahoe, Kelley & Co., and F. F. Low, Esq., manager Anglo-California Bank. Mr. Dick is an underwriter of experience and ability, and we feel confident he will make a good return to the Home for 1875.

—In another column will be found correspondence from St. Louis, Virginia City, and San Francisco.

In a private letter from our Virginia correspondent, he promises another letter for the March number, in which he will give more particulars of the insurance business in Nevada, all of which will be acceptable, and we hope he will continue his letters as often as the interest of the business will justify.

—On account of the unwise legislation in California, which drove from the State most of our life insurance companies, and as these companies do not recognize the Ins. department of this State, we are unable to give the Life business for the year 1874. Of the Eastern companies doing business here, only three complied with the law—the New England Mutual, Union Mutual and National Life of the U. S. A. The business of the two former we give as follows: New England Mutual issued 242 new policies, covering \$539,482, on which the premiums amount to \$33,745.41. And the losses paid by this agency were \$56,534.15. The Union Mutual issued in California 201 new policies, covering \$561,000 insurance, on which the premiums were \$35,372.68. The losses of the Union Mutual in California were \$20,000. The National Life has not made their report to the Commissioner as yet, but we presume the business of this

agency of the National will not "pan" out as well, perhaps, as the Company anticipated, as the manager Mr. Cox, D. D. does not make insurance a specialty.

—Mr. E. D. Farnsworth, of the well known insurance firm of Farnsworth & Clark, has just returned from an extensive trip through the Eastern and Southern States. Mr. F. reports things in the East among underwriters quite lively, and notwithstanding the dispatch to this city, that the American Insurance Co., of New York has signified their intention to withdraw from the board, he thinks it will not "Bust" the Board.

Mr. Farnsworth had the agency of the Citizens Ins. Co., of St. Louis and New Orleans Insurance Co., of New Orleans, tendered him by the managers in St. Louis, which he accepted, and these two good corporations, together with the companies already represented by this firm, makes a strong combination of insurance capital, and as these gentlemen are underwriters of ability, we feel confident of the success of this agency.

—The fifteenth annual statement of the California Insurance Company is before us, and we give the result of the year's business as follows: Assets, January 1st, 1875, \$509,020.43 with a liability except capital of \$87,617.45; other liabilities of \$121,402.98, or a surplus as regards policy-holders of \$421,402.98. The net premiums received in 1874 were \$148,574.83; interest received \$34,313.71. Rents, \$8,210.00, making total receipts of \$191,098.50. The Company paid for losses in 1874, net, \$79,249.31; dividends to stock-holders, \$58,500.00; expenses, taxes, commissions, etc., \$37,366.73; making total expenditures, \$176,116.04.

—The official report of the New York Fire Department shows that there were 1410 fires in that city in 1874, against 1470 in 1873, a decrease of sixty. In 1873, the losses amounted to \$4,022,640, while last year the total losses were only \$1,430,306. The losses last year were but about one-fifth in amount of those in the year 1866, when they reached, in round numbers, about \$7,000,000.

—The National (Mutual) Fire Insurance Company of Bangor, Maine, has returned a ten per cent. dividend to policy-holders, on its business in 1874.

—The American Newspaper Directory is an epitome of newspaper history. It is also regarded as an official register of circulations. This feature requires the closest scrutiny to prevent it from leading to abuses. The plan, adopted by the publishers of the directory, to secure correct and trustworthy reports, is rigid in its requirements and adhered to with impartiality. Successful publishers, who have something to gain by a comparison, are generally prompt, not only to send reports in conformity but give Messrs. George P. Rowell & Co. such information as enables them to weed out unsubstantiated statements of pretenders in journalism. The popularity of the book, and the general confidence in its accuracy and good faith are attested by the immense body of advertisements it receives.

—The Trust Fund Insurance Association and General Insurance Agency of this city, have established three separate departments, viz : the Atlantic and Southern department, the Northwestern department, and the Pacific department. The Atlantic and Southern department has been placed in the hands of Mr. Herman S. Johnson, formerly of Columbia, South Carolina, who will make headquarters in New York city, and have direct control of the Atlantic department. The Southern business of the Association will be in charge of some competent man with headquarters at Columbia, South Carolina, and report direct to the New York office, this being only a branch office of the department, controlled by Mr. Johnson. The Northwestern department has been placed in the hands of E. G. Asay, of the firm of Snyder & Asay, Chicago, Illinois. The two gentlemen above named have been spending a few weeks in this city when they made a contract for the above fields. We are informed that the experience and energy of these men are a sufficient guarantee that the departments placed under their care will be properly looked after and prove

beneficial to all concerned. Mr. Johnson has been the Secretary of the southern Board of Fire Underwriters, and has had much to do with the organization and promotion of the best interests of that body. The Pacific department of this Association will remain in the hands of the Home office in this city.

—At a meeting of the stockholders of the Home Mutual Insurance Company, of this city, held on Monday, January 18, 1875, the following Board of Directors were elected :

Messrs. George H. Howard, A. Pfister, John H. Redington, B. D. Murphy, Robert Watt, J. S. Carter, G. S. Johnson, Jackson Lewis, W. M. Greenwood, Jacob Rich, J. J. Denny, Geo. S. Mann, J. H. Dibble, Cyrus Wilson, C. H. Lewis, W. T. Garratt, P. Wasserman, C. Waterhouse, B. Goldsmith, A. P. Hotaling, L. F. Grover, C. L. Taylor, D. Macleay, A. Block, J. F. Houghton, R. B. Gray, John Currey, A. K. P. Harmon, L. L. Baker, W. O. Wilson, W. F. Whittier, Mark Hopkins, C. C. Burr, Jas. Carolan, V. D. Moody, A. Redington, E. M. Root, D. W. Earl, W. H. White, Julius Wetzlar, J. L. N. Shepard, William Watt, Isaac Requa, D. E. Knight, John Gillig, H. H. Hewlett, J. A. Ledden, Chas. Belding, Chauncey Taylor, J. D. Peters, A. C. Henry, A. W. Simpson, Robt. S. Farrelly, H. M. Fanning, Joseph Becht, N. Hayes, Joseph B. Marlin, T. Ellard Beans, Wm. B. Hardy, Chas. R. Story.

—The superintendent of rates and surveys of the New York Board of Underwriters among other things says :

“If there be any who imagine that the labors of the past two years have completed the work and rendered our city fire-proof or free from the dangers of a widespread conflagration, permit me to assure them that the time is not yet. There are miles of narrow streets and the buildings on either side filled with valuable merchandise (in some instances close to windows unprotected by iron shutters), frame mansards ready to scatter their flaming brands, with other

exposures that need removal or correction; to say nothing of internal hazards, the results of carelessness or the torch of the incendiary.

"Most of the warehouses in this city have been resurveyed with a view either to the correction or confirmation of the former surveys, or for the inspection of improvements.

"There are few who can appreciate the labor attendant upon a critical survey of a building with a view to its rating. Every part of the building, and the details of every part, from sub-cellar to roof, is examined, and faults or improvements closely noted. Storage stores are to be inspected continually, as the contents are being constantly changed, and the rates liable to be affected thereby."

—At a meeting of the Board of Directors of the Life Underwriters of Ohio, held at Cincinnati, Dec. 15th, 1874, the following members were unanimously elected:

G. A. Watkins, State Agent, Continental Life of New York, at Cleveland.

Benjamin E. Orr, General Agent of the Continental Life of Hartford, at Columbus.

Joseph E. Crow, District Agent of the Union Mutual, at Marion.

It was unanimously *resolved* that in the opinion of this Association, the resolution passed by the Chamber of Life Insurance, in New York, at its last session, to-wit: "That hereafter in crediting a policy with a dividend, the State and Municipal tax assessed upon the premium, shall be expressed as a separate item and deducted from the dividend," whatever it may be in other States, in Ohio, it will be injurious and prejudicial to the interests of the Companies represented in the Chamber; and also prove an obstacle in securing new business.

It was also *resolved*, "That, as in the opinion of some of the strongest legal minds in the State, the tax law as it now stands is unconstitutional, and as it is believed by this Association to be so, it is thought that a better way out of the difficulty is to test the law, by resort to a legal tribunal.

The Board of Directors also ordered a

Special Meeting to be held at an early day, to take under advisement the practicability of memorializing the Legislature, in relation to the taxing of the premium receipts of the various Life Companies.

—Lloyd, the famous map man, who made all the maps for General Grant and the Union army, certificates of which he published, has just invented a way of getting a relief plate from steel so as to print Lloyd's Map of American Continent—showing from ocean to ocean—on one entire sheet of bank note paper, 40x50 inches large, on the lightning press, and colored, sized and varnished for the wall so as to stand washing, and mailing anywhere in the world for 25 cents, or unvarnished for 10 cents. This map shows the whole United States and Territories in a group, from surveys to 1875, with a million places on it, such as towns, cities, villages, mountains, lakes, rivers, streams, gold mines, railway stations, etc. This map should be in every house. Send 25 cents to the Lloyd Map Company, Philadelphia, and you will get a copy by return mail.

The New Form of Application.

This is the declaration and agreement, attached to the new form of application adopted by the life companies, to be signed by the person applying for insurance, and by the party whose life is to be insured:

In is hereby declared and agreed that all the statements and answers to the printed questions written upon the forms A and B, which, together with this declaration and agreement, constitute an application to the Life Ins. Co. for an insurance of dollars upon the life of..... are offered to the said company as a consideration of the contract applied for; each of which statements and answers, whether written by his own hand or not, every person whose name is hereto subscribed adopts as his own, admits to be material, and warrants to be full, complete and true, and to be the only statements given to the company in reply to its inquiries, and upon which, should the insurance applied for be granted, the

company's contract will be founded. And this application is submitted to the said company, with the following express covenants and agreements: 1. That it will constitute no contract of insurance until a policy shall first have been issued and delivered by the said company, and the first premium thereon actually paid, during the continuance of the life proposed for insurance, in the same condition of health as described in the application. 2. That if the insurance applied for be granted by the company, the policy, if accepted, will be subject to all the conditions and stipulations contained in the policy, and that, in particular, no insurance shall be claimed to be thereby granted against death by self-destruction, nor shall any insurance thereby granted remain in force after health shall have been impaired by narcotics or alcoholic stimulants, or after the insured shall, without the consent of the company in writing, signed by the President, Actuary, or Secretary, pass or remain beyond the limits of residence and travel, or engaged in any of the occupations or employments specified upon the company's form of policy. 3. That in any distribution of surplus, the principles and methods which may be adopted by the company for such distribution, and its determination of the amount equitably belonging to such policy, shall be and are hereby ratified and accepted by and for every person who shall have or claim any interest under the contract now proposed.

Cowardly.

[From the *Western Insurance Review*.]

If there is any one thing honest men despise it is the practice indulged in by some insurance men of circulating documents, usually anonymous, containing some palpable falsehood or ungenerous fling or innuendo on some rival company. It is cowardly, because the offending parties are unwilling to make a statement on their own responsibility, but make extracts from articles emanating from some scurrilous sheet whose columns are characterized by egotism, ignorance and malignity.

We have before us a circular of the

character named, with which the west and south have been flooded, and distributed, as we are assured, by a discharged agent of a prominent southern company. The circular closes with the inquiry: "Is there really any first-class fire insurance companies in New Orleans?"

To this inquiry we say emphatically yes, as many in proportion as their are in any city in the Union of its population. We do not propose in this article to refer to but one, the Factors & Traders.

The Factors & Traders commenced business in 1867. Far more satisfactory than any words we can use, is the following exhibit from the last annual report, showing its steady increase in assets and large returns to stockholders:

	1st year,	2nd	3d	4th	5th	6th	7th	8th
	1867	1868	1869	1870	1871	1872	1873	1874
	April	April	April	April	April	April	April	April
	1867	1868	1869	1870	1871	1872	1873	1874
Assets.	\$ 546,816.91	603,984.18	777,890.57	1,033,027.34	1,040,576.57	1,285,141.89	1,573,778.32	1,593,736.33
Interest Dividends.	10 pr ct.	10 pr ct.	10 pr ct.	10 pr ct.	10 pr ct.	10 pr ct.	10 pr ct.	10 pr ct.

Making seven interest dividends of ten per cent. per annum, payable semi-annually in December and June, and an average premium dividend of forty-two and a half per cent. for past seven years.

The premiums for the year ending April 30th, 1874, were \$768,825; the net profits after deducting \$110,000 dividend on capital stock of \$1,100,000, were \$167,784.73.

The company has the following assets:

Cash on hand	\$441,184.80
Premiums in course of collection	54,743.40
Bills receivable for loans on pledge	560,412.46

Bills receivable at short dates.....	25,597.15
Bank and other stocks.....	203,074.05
Stocks of city railroads.....	72,875.00
City and other bonds.....	146,675.97
Bonds of Masonic Grand Lodge of Louisiana.....	5,000.00
Bonds of Odd Fellows' Hall Association.....	5,000.00
Bonds of Association for relief of Jewish widows and orphans.....	2,000.00
Real Estate.....	33,220.40
Total.....	\$1,549,756.33

Can any company in the United States make a better showing of its first seven years' business? The Factors and Traders has some peculiar features in its charter which will be of interest to insurance men, and which we give below:

1st. The business of the company is divided into two departments—*i. e.* the "capital stock" department and the "premium" department. In the former, 10 per cent. per annum interest is guaranteed, payable semi-annually, after which the dividend in the premium department is declared.

2nd. The dividends in the "premium department" are declared in the strictest sense upon the mutual plan, and to those stockholders only who are payers of premiums.

3d.—This, the last, but not least important or interesting feature, is, that in both departments the principle is carried out on a cash basis.

Our system is simple, and no division of interests can be more equitable. Let us see: First.—Capital, in whatever manner liable to hazard, is worthy of remuneration, and with this view, interest of not exceeding ten per cent. per annum, payable semi-annually, is first guaranteed out of the net profits of the Company. In this, each and every stockholder is upon an exact equality as owner of \$100, or \$100,000 of our Capital Stock. Second.—After the interest, the further profits of the Company are divided among those only whose contribution caused said profits, *i. e.* the stockholders paying premiums. It will not be denied that the rates of premium must be remunerative in justice alike to the capitalist, who is the insurer, and the insured, otherwise both must,

eventually, come to grief. This fact admitted, the Charter of our Company first reasonably remunerates the Capital Stock hazarded, and then returns the remaining profits, in cash, pro rata, among its absolute stockholding contributors.

San Francisco Fire Marshal's Report, for January, 1875.

FIRES AND ALARMS.

Actual Fires.....	20
Chimnies.....	3
False.....	2
Total.....	25

CAUSE OF FIRES.

Ashes.....	1
Carelessness with candle.....	2
“ “ fire.....	1
Defective chimneys.....	3
“ grates.....	2
“ ranges.....	2
“ stove pipes.....	1
Gas lights.....	1
Gasoline stoves.....	1
Incendiary.....	1
Sparks from chimnies.....	1
Spontaneous combustion.....	1
Supposed sparks from stove pipe.....	1
Unknown.....	2
Total.....	20

BUILDINGS BURNED.

1 story frame.....	8
2 “ “.....	10
3 “ “.....	3
3 “ brick.....	2
Total.....	23

BUILDINGS BURNED—HOW OCCUPIED.

Blacksmith shops.....	1
Boat builders.....	1
Boot and shoe stores.....	1
Dwellings.....	7
Dwelling and grocery.....	1
“ “ hardware store.....	1
“ “ junk store.....	1
“ “ saloon.....	1
Grocery stores.....	1
Hay barns.....	1
Lodging houses.....	1
Planing mill.....	1
Restaurants.....	1
Stables.....	1
Stevedore's.....	2
Stoves.....	1
Tannery.....	1
Total.....	23

PROPORTION OF BUILDINGS BURNED.

Total loss.....	2
Considerably damaged.....	7
Slightly damaged.....	14
Fires confined to one building.....	15
Fires and no damage to buildings.....	2
Estimated loss.....	\$22,692.25
Insurance.....	45,950.00
Loss on buildings.....	\$ 9,676.10
Loss on stock, furniture, etc.....	13,013.15
Insurance on buildings.....	\$26,750.00
Insurance on stock, furniture, etc.....	19,200.00
Largest loss at any one fire.....	\$19,257.00
Most buildings burned at one fire.....	8

JOHN L. DURKEE,
Fire Marshal.

Assets and Liabilities, January 1st, 1875.

The *Insurance and Real Estate Journal* of New York gives the assets and liabilities of the following Fire and Marine Companies doing business in New York. Of course this is but a small portion of the companies represented there, but the *Journal* will give the report from time to time as it receives them. The companies reported to January 23d are:

NEW YORK COMPANIES.

	Gross Assets, January 1, 1875.	Total Liabilities, Jan. 1, 1875.
Albany.....	\$283,800	\$243,513
American [participat'n].....	1,081,534	505,556
American Exchange.....	297,789	229,020
Agricultural.....	1,019,803	921,553
Atlantic.....	463,962	357,325
Black River.....	349,038	322,332
Broadway.....	501,091	240,516
Brooklyn.....	427,615	187,205
Clinton.....	493,802	331,382
Commercial.....	429,876	312,320
Empire City.....	362,145	242,587
Emporium.....	264,816	239,141
Exchange.....	384,216	291,801
Farm Buildings.....	158,044	171,595
Farmers' Joint Stock.....	217,994	216,448
Farragut.....	387,020	292,887
Firemens.....	347,622	243,968
Firemen's Fund.....	239,093	207,787
German American.....	1,837,132	1,544,573
Greenwich.....	638,149	312,925
Globe.....	578,568	261,896
Guardian.....	285,750	242,742
Hamilton.....	341,592	215,797
Home.....	5,627,445	4,742,164
Homestead.....	253,350	243,292
Hope.....	211,328	184,286

Importers and Traders.....	317,576	289,894
Irving.....	304,249	289,388
Lorillard.....	446,552	379,314
Mechanics.....	333,842	211,362
Merchants.....	468,589	516,723
Montauk.....	364,310	192,843
Nassau.....	473,264	238,950
New York Powery.....	770,791	380,416
New York Produce Ex- change.....	224,800	
North River.....	506,849	378,248
Oswego and Onondaga.....	283,280	277,679
Pacific.....	667,163	317,024
Park.....	410,930	245,714
People's.....	320,349	197,641
Peter Cooper.....	387,457	175,993
Ridgewood.....	507,285	248,408
Safeguard.....	348,530	257,933
St. Nicholas.....	293,400	229,004
Standard.....	377,858	256,350
Star.....	401,981	323,081
Sterling.....	307,402	236,325
Union (Buffalo).....	116,998	112,328
Tradersmen's.....	295,109	241,143
Westchester.....	750,307	587,741

COMPANIES OF OTHER STATES.

	Total Gross Assets, Jan. 1, 1875.	Liabilities Jan. 1, 1875.
Allemania, Pittsburgh.....	\$473,677	\$430,780
American, Boston.....	589,376	503,309
Atlas, Hartford, Conn.....	511,642	479,252
Brewers, Milwaukee.....	575,326	433,640
City, Providence, R. I.....	213,368	207,655
Citizens, St. Louis, Mo.....	433,033	308,459
Connecticut, Hartford.....	877,595	697,191
Hartford, Hartford.....	2,757,908	2,273,657
Home, Newark, N. J.....	230,183	220,968
Kansas, Leavenworth, Kansas.....	311,778	287,300
Manufacturers', New- ark, N. J.....	263,612	243,212
Merchants, Providence, R. I.....	380,299	308,094
Merchants, Newark, N. J.....	795,926	445,975
Meriden, W. Meriden, Conn.....	320,238	284,182
National, Hartford, Ct.....	943,353	746,808
Newport F. & M. New- port.....	315,350	280,733
Orient, Hartford, Ct.....	719,342	558,985
People's, Memphis, Tenn.....	447,355	401,486
Security, New Haven, Ct.....	303,651	283,857
Springfield F. and M., Springfield, Miss.....	1,266,146	684,276
Teutonia, Philadelphia.....	297,717	232,967
Traders', Chicago, Ill.....	738,418	645,421

MINING AND FINANCE.

The Mining Interests in 1874.

[From the Mining and Scientific Press.]

The miners of the Pacific Coast never had more cause for congratulation in finishing a year's work than they had completing that of 1874. The year has been one of hard work and well earned profits, and the miners may well look with pride on the array of figures representing the result of their labor. We have heard of successful mining ventures on every hand, and fewer failures than usual. This is due to the fact that the people on this Coast are fast awakening to the idea that they must engage in mining, as they do in any other business, and invest their money without excitement and with judgment and forethought. The day has long gone by when a man can come to San Francisco with a few lumps of quartz and sell a claim for thousands of dollars. He must now bring the proper papers to prove his ownership, location, etc., and then an expert will accompany him to the mine and examine it in the interest of the purchasers. It takes several months, as a general thing, to dispose of a mine in these days which, a few years ago, could have been sold in a week. This is a fact in which we really ought to congratulate ourselves, as it shows that those who invest their money in mining property only do so after a thorough examination and mature deliberation. They will therefore work their property in a more legitimate manner, and trust less to stock-jobbing operations.

This matter is one of more importance than many suppose, and exercises a potent

influence on the mining interests. With mines scattered all over the country, worked properly and with due regard for economy, money can be made rapidly. It will encourage capital to help out labor and encourage the prospectors in their work of hunting up new mines.

A large number of new mines were opened up last year of which we will hear more in the future. In California and Nevada, moreover, particularly the former, we hear of many old abandoned mines being taken up again and re-worked. In many cases costly works were put up years ago, and mines opened by inexperienced men, which were afterward abandoned as failures. Many of these old locations are now being worked by competent men, and made to pay well.

The year 1874 has been marked, perhaps, for a lack of any of the furious "excitements" of former years, which lured thousands of miners away from steady work, paying claims, and comfortable cabins, to travel in search of a new El Dorado. The nearest approach to anything of this kind we have had has been the "Panamint excitement," but this was a very mild form of the disease compared with previous epidemics. Moreover, Panamint was comparatively "get-at-able," and not such a distance from ordinary mining centres as Fraser River, Stickeen, etc.

We have had few mining accidents of large proportions; that of the fire in the Belcher air shaft on the Comstock, by which several lives were lost, being the most important. We have been compelled, however, to chronicle from week to week during

the year, many accidents by which precious lives were lost. These casualties seem to increase from year to year, which is attributable to the fact that more men are engaged in deep mining than formerly. A noticeable feature has been also that very few mills or reduction works have been destroyed by fire. This class of property is considered by insurance companies to be as risky as any with which they have to do, and insurance is no small item to the mill man. Of late years, however, where large, costly and permanent mills are erected, reservoirs are dug, pipes laid, hydrants put up, and every possible precaution is taken to prevent the destruction of the property by fire.

Another fact indicating the faith of capitalists in mining investments and proving that as a business, mining is gaining strength among us, is that the mills now made are larger than ever, the hoisting and pumping gear heavier and stronger, and the buildings and surface works are built in a manner indicating that the owners intend to work properly. The developments in some of the deep mines on the Coast have induced mining men to go deeper with a surer hope of success. We no longer scratch over the surface and consider a mine worked out with a 200-foot shaft. In Nevada they have shafts over 2,000 feet deep, and are putting up machinery to work 4,000 feet. It was at one time supposed that by the regular increase of temperature with depth, mining below 2,000 feet would be almost impossible and so expensive as to be impracticable. Practice has proved that this idea is fallacious and by various means the heat in the lower levels is decreased and the miners more comfortable.

We are unable to chronicle this year any very marked improvement in the processes or machinery in use, but are gratified to know that millmen and miners show more care in working ores than they used to and that they manifest great interest in anything calculated to reduce expenses. Machinery is a great deal heavier and more costly than ever. The foundrymen of this city have reaped a harvest from the miners of late,

and nearly all the foundries here are kept busy with this class of work. Where formerly a 20-stamp was considered a large order, 40, 60 and 80-stamp mills are now ordered. The Consolidated Virginia 80-stamp mill started up on the first of January, and another mill of the same size will shortly go up alongside of it. On the Sumner mine in Kern county, an 80-stamp mill is being erected to run by water-power, and many other large mills in different parts of the State have been erected during 1874.

There is no way for us to make any calculation of the number of men employed in mining on this Coast; nor can we tell whether there were more in 1874 than 1873. The supposition is, however, that there was an increase this year, as so many new mines were opened.

It gives us satisfaction to know that last year capital was much more ready to invest in good mines than has been the case for some time. California mines have been to some extent neglected, however, as the capitalists were more interested in Nevada. English capital, which flowed into Utah last year so abundantly, has been turned to some extent toward this State, and some considerable amounts invested in gravel mining property. Our miners complain, however, that good property, which will pay three per cent. per month, goes begging in this market unless in the shape of stock. The late stock excitements have interested many in mining matters, who may continue to look favorable on them as a means of investment.

There have been no drawbacks to our mining prosperity save alone the high price of quicksilver, which is spoken of at length further on. Tailings, mills and works have in some instances shut down, and the price of this metal has had an injurious effect. This matter of rich tailings is now receiving considerable attention and they are now in many cases carefully saved. Nevertheless, large quantities of tailings run to waste in the rivers and canyons. With cheap power and quicksilver considerable money can be made in working them over.

	1872.	1873.	1874.
California.....	\$19,039,098.24	\$18,052,923	\$20,300,531
Nevada.....	25,548,401.09	35,254,507	25,452,243
Oregon.....	1,905,093.92	1,373,383	609,070
Washington....	224,051.03	204,335	155,535
Idaho.....	2,514,083.78	2,343,554	1,880,001
Montana.....	4,442,134.90	3,889,800	3,430,498
Utah.....	3,521,020.00	4,104,337	5,911,278
Arizona.....	143,770.00	47,788	26,066
Colorado.....	3,001,750.85	4,083,248	4,191,405
Mexico (W. C.)	535,071.80	884,798	798,878
British Col'bia	1,350,074	1,250,035	1,636,557
Total.....	\$12,376,914	72,258,093	74,401,055

This makes a total bullion product for three years, including the west coast of Mexico and British Columbia, which do not properly belong in the table, of \$208,896,762. This is a very good showing, and is one to be proud of.

We append a table showing the total gold and silver production of this Coast since California was first settled by the Americans. The figures are such as to astonish those who have no idea of the amount of mining done here. About 20 per cent. is added to Wells, Fargo & Co.'s figures to cover bullion conveyed by other means.

TOTAL GOLD AND SILVER PRODUCTION.

Year.	Gold.	Silver.	Total.
1848	\$ 5,000,000	.....	\$ 5,000,000
1849	23,000,000	.....	23,000,000
1850	59,000,000	.....	59,000,000
1851	60,000,000	.....	60,000,000
1852	59,000,000	.....	59,000,000
1853	68,000,000	.....	68,000,000
1854	64,000,000	.....	64,000,000
1855	58,000,000	.....	58,000,000
1856	63,000,000	.....	63,000,000
1857	64,000,000	.....	64,000,000
1858	59,000,000	.....	59,000,000
1859	59,000,000	.....	59,000,000
1860	52,000,000	\$ 90,847	52,000,847
1861	50,000,000	2,275,256	52,275,256
1862	52,000,000	6,247,014	58,247,014
1863	57,000,000	12,483,238	70,483,238
1864	55,967,905	16,797,585	72,765,490
1865	57,496,800	16,184,877	73,681,677
1866	61,000,000	18,000,000	78,000,000
1867	53,000,000	22,000,000	75,000,000
1868	51,000,000	16,000,000	67,000,000
1869	47,000,000	15,000,000	63,000,000
1870	48,000,000	28,000,000	68,000,000
1871	42,357,000	24,246,000	66,603,000
1872	42,688,103	27,548,811	70,236,914
1873	35,400,000	44,600,000	80,000,000
1874	43,400,000	56,600,000	100,000,000
	\$1,382,809,508	\$294,076,378	\$1,681,386,186

There has been less gold and more silver. The sources of the receipts last year are annexed:

From northern and southern mines.....	\$34,621,330
From northern coast route.....	2,204,212
From southern coast route.....	601,457
From Mexico.....	2,007,899
Total.....	\$39,434,898
In 1873.....	31,855,208
In 1872.....	33,842,737

The receipts of treasure in the city for 1874 is given as follows by Mr. Valentine:

1874.	Silver Bullion.	Gold Bullion.	Coin.
January.....	\$ 959,962	\$ 583,195	\$ 820,487
February.....	1,609,491	530,424	714,944
March.....	1,505,843	619,259	670,492
April.....	1,863,418	801,330	729,246
May.....	1,471,458	949,139	907,077
June.....	1,973,575	855,856	1,329,472
July.....	1,494,175	916,163	1,025,573
August.....	1,495,848	918,982	934,118
September.....	1,654,367	790,478	1,037,613
October.....	1,627,308	757,147	1,222,115
November.....	1,573,572	622,034	1,049,395
December.....	1 118,917	543,138	1,292,276
Total.....	\$18,905,448	\$8,897,471	\$11,639,579
In 1873.....	12,177,698	19,052,123	9,515,385

The production by States and Territories is shown in the following table:

Year.	California.	Nevada.	Montana.	Idaho.
1848	\$ 5,000,000	.....	.....	.....
1849	22,000,000	.....	.....	.....
1850	59,000,000	.....	.....	.....
1851	60,000,000	.....	.....	.....
1852	59,000,000	.....	.....	.....
1853	68,000,000	.....	.....	.....
1854	64,000,000	.....	.....	.....
1855	58,000,000	.....	.....	.....
1856	63,000,000	.....	.....	.....
1857	61,000,000	.....	.....	.....
1858	59,000,000	.....	.....	.....
1859	59,000,000	.....	.....	.....
1860	52,000,000	\$ 90,887	.....	.....
1861	50,000,000	2,247,236	.....	.....
1862	51,500,000	6,247,024	\$ 500,000	.....
1863	50,000,000	12,483,238	8,000,000	.....
1864	35,000,000	16,797,585	13,000,000	\$3,474,085
1865	35,020,000	16,848,879	13,855,998	6,581,440
1866	26,000,000	16,000,000	48,000,000	7,000,000
1867	25,000,000	20,000,000	12,000,000	6,500,000
1868	22,000,000	14,000,000	15,000,000	7,000,000
1869	21,000,000	14,000,000	12,000,000	7,000,000
1870	25,800,000	13,000,000	9,100,000	6,000,000
1871	25,850,000	16,000,000	9,100,000	6,000,000
1872	21,453,000	22,500,000	8,000,000	5,000,000
1873	20,000,000	36,000,000	4,000,000	2,400,000
1874	23,000,000	45,000,000	4,000,000	2,500,000
	\$1,143,920,000	\$254,245,869	\$126,535,998	\$32,455,525

Year.	Or. & Wash.	Utah.	Other Ter.
1864.....	\$1,403,520	.....	.....
1865.....	1,395,330	.....	.....
1866.....	3,000,000	.....	8,000,000
1867.....	3,000,000	.....	8,500,000
1868.....	4,000,000	.....	5,000,000
1869.....	3,000,000	.....	6,000,000
1870.....	3,000,000	\$1,300,000	4,800,000
1871.....	2,500,000	2,300,000	4,853,000
1872.....	2,131,083	6,125,152	5,030,676
1873.....	1,600,000	9,000,000	7,000,000
1874.....	1,500,000	10,000,000	11,000,000
Total.....	\$23,619,906	\$31,725,152	\$60,183,676

Some idea of the amount of money handled here may be had from a brief review of the operations of the mint in this city during 1874. The amount coined at the San Francisco branch mint in 1874 was \$27,329,000, against \$22,075,400 in 1873, an increase of \$5,245,500. Of the coinage last year, \$24,460,000 was in gold, and \$2,867,000 was in silver. During the same time the mint at Carson coined \$2,620,775 in gold, and \$1,411,781 in silver, making a total for both mints of \$31,418,265.

The operations of the San Francisco assaying and refining works were as follows for 1874:

Months.	Ounces.	Gold.	Value.
January.....	66,754.65	\$1,398,142.97	
February.....	84,914.50	1,761,610.70	
March.....	83,493.24	1,679,861.90	
April.....	85,161.68	1,745,840.03	
May.....	25,925.40	525,038.10	
June.....	126,928.93	2,596,790.65	
July.....	127,339.29	2,608,863.95	
August.....	130,828.19	2,681,257.48	
September.....	119,964.59	2,444,153.55	
October.....	105,885.28	2,170,051.15	
November.....	94,190.47	1,815,888.39	
December.....	93,480.06	1,915,350.66	
Totals.....	1,157,726.28	\$22,724,108.52	

It is but just to say in connection with the table of bullion product given above, that figures there are compiled with care by Mr. Valentine, and are approximately correct. Nevertheless, they should be much larger from the nature of things. These figures represent the bullion, gold dust, etc., which passes through the hands of Wells, Fargo & Co., as common carriers. Fully 20 per cent. should be added, however, for the sum which passes from the mines by private

hands, and other modes of conveyance than Wells, Fargo & Co. This being the case, if we deduct Mexico and British Columbia from the aggregate, it will still be much larger than is shown in the above table.

The next important question is that of

MINING DIVIDENDS,

as it has an intimate connection, of course, with the bullion product. We give a comparative table showing the dividends from mining companies called on the Stock Boards in this city :

	1872.	1873.	1874.
Belcher.....	\$2,184,000	\$6,762,000	\$5,304,000
Black Bear.....		45,000	69,000
Crown Point.....	1,850,000	5,100,000	3,400,000
Cons. Virginia.....			2,592,000
Cons. Amador.....		50,000	
Cederberg.....	36,000	24,000	
Chollar.....	56,000		
Chariot Mill.....			51,000
Eureka.....	40,000	300,000	
Eureka Cons.....		200,000	125,000
Golden Chariot.....		85,000	
Keystone Quartz.....	30,000		
K. K. Cons.....		62,500	
La Grange.....		12,500	
Meadow Valley.....	360,000	180,000	
Monitor Belmont.....		75,000	
Minnesota.....		60,000	
Mahogany.....	15,000		
North Star.....	27,000		
Pioche.....	40,000		
Providence.....	3,100		
Raymond & Ely.....	2,970,000	300,000	
Redington Quick.....			291,000
Yule Gravel.....	10,000		
	\$3,730,100	\$13,366,000	\$11,806,000

In summing up the above only those mines are taken into account which advertise their dividends in this city. All the above mentioned are on the lists of the Stock Boards, except the Redington Quick-silver, Minnesota and the Black Bear. A falling off is shown in the dividends this year, which is principally due to the decrease of the dividends of the Belcher and Crown Point. It will be noticed by even the casual observer that not one gravel mine is represented in the figures of dividends for this year. This fact alone goes to show how unsatisfactory it is to base any calculation on the dividend list published. Of the hundreds of private corporations mining profitably, not one is mentioned. Some of

these mines, like the Idaho at Grass Valley, are what is known as "close corporations," the stock being held in few hands and the mines worked as mines and not as a stock jobbing operations.

We can mention the following prominent California mines, only one of which is on the Stock Board, which have yielded \$2,996,503 from 187,391 tons of ore this year, making nearly \$300,000 each on the average, yet no mention is made of them in the dividend lists published. They are as follows: Idaho, Eureka, Black Bear, Plumas-Eureka, Sierra-Buttes, Sumner, Hite's mine, Keystone, Empire. We shall speak more in detail of these mines further on. The following table gives an account of all the dividends disbursed by the different mines called in the Stock Board from its organization, up to January 1, 1875:

Belcher.....	\$14,135,000
Crown Point.....	11,388,000
Cons. Virginia.....	2,592,000
Chollar.....	3,080,000
Confidence.....	78,000
Chariot Mill.....	51,000
Cederburg.....	100,000
Cons. Amador.....	210,000
Daney.....	56,000
Eureka.....	2,094,000
Empire Mill.....	713,500
Eureka Cons.....	675,000
Gould & Curry.....	3,824,800
Golden Chariot.....	500,000
Hale & Norcross.....	1,598,000
Imperial.....	1,067,500
Ida Ellmore.....	60,000
Keystone Quartz.....	30,000
Kentuck.....	1,252,000
K. K. Cons.....	62,500
Meadow Valley.....	1,200,000
Mahogany.....	15,000
Monitor Belmont.....	75,000
Ophir.....	1,394,400
O. H. Treasure.....	31,999
Pioche.....	60,000
Raymond & Ely.....	3,075,000
Rye Patch.....	22,500
Sierra Nevada.....	102,500
Succor.....	22,800
Savage.....	4,460,000
Yellow Jacket.....	2,184,050
Yule Gravel.....	40,000
Total.....	\$56,261,499

The following table shows the total assessments and dividends on mines called on the San Francisco Stock Board:

Companies.	Tot'l amt't Ass'ss Levied.	Tot'l amt't Divid'ds Disb'd.
CALIFORNIA MINES.		
Alpine.....	\$ 78,000	\$
Con. Amador.....	.....	210,000
Bellevue.....	101,000	.....
Cederberg.....	12,000	100,000
Chariot Mill.....	15,000	51,000
Eureka.....	.....	2,094,000
Independent.....	83,000	.....
Keystone Quartz.....	.....	5,000
Magenta.....	10,000	.....
St Patrick.....	140,000	.....
Tecumseh.....	72,000	.....
Yule Gravel.....	9,000	.....
WASHOE.		
Alamo.....	7,500	.....
Alpha Con.....	150,000	.....
Alta.....	3,600	.....
American Flat.....	75,000	.....
Andes.....	75,000	.....
Baltimore Con.....	351,000	.....
Best & Belcher.....	133,192	.....
Belcher.....	660,400	14,135,000
Bullion.....	1,802,000	.....
Buckeye.....	188,000	.....
Caledonia.....	500,000	.....
Chollar-Potosi.....	742,000	3,080,000
Confidence.....	243,250	78,000
Con. Virginia.....	411,200	2,592,000
Crown Point.....	623,371	14,388,100
Crown Point Ravine.....	15,000	.....
Daney.....	198,000	56,000
Dayton.....	100,000	.....
Dardanelles.....	60,000	.....
Eclipse Winters Plato.....	12,500	.....
Empire Mill.....	416,400	713,500
Europa.....	10,000	.....
Exchequer.....	180,000	.....
Globe Con.....	114,000	.....
Gould & Curry.....	1,532,000	3,828,000
Green.....	10,000	.....
Hale & Norcross.....	1,450,000	1,598,000
Imperial.....	1,270,000	1,067,500
Indus.....	13,500	.....
Insurance.....	10,500	.....
Julia.....	428,700	.....
Justice.....	431,500	.....
Kentuck.....	270,000	1,252,000
Knickerbroker.....	276,000	.....
Kossuth.....	54,000	.....
Lady Bryan.....	100,000	.....
Lady Washington.....	36,000	.....
Leo.....	27,200	.....
Mint.....	40,000	.....
New York.....	207,000	.....
Occidental.....	42,500	.....
Og. Gold Hill.....	30,000	.....
Ophir.....	1,832,800	1,394,400
Overman.....	1,531,080	.....
Phil Sheridan.....	12,000	.....
Pictou.....	38,200	.....

Rock Island.....	108,000	.....	Portland.....	71,000	.....
Savage.....	1,744,000	4,460,000	Raymond & Ely.....	180,000	3,075,000
Seg. Belcher.....	212,800	.....	Rye Patch.....	67,500	22,500
Senator.....	75,600	.....	Silver Peak.....	90,000	.....
Sag. Caledonia.....	1,000	.....	Silver West Con.....	37,500	.....
South Comstock.....	20,000	.....	Standard.....	60,000	.....
South Overman.....	15,000	.....	Spring Mount.....	43,750	.....
Sutro.....	12,000	.....	Spring Mountain Tun.....	33,000	.....
Silver Cloud.....	8,000	.....	Wash & Creole.....	262,500	.....
Silver Hill.....	432,000	.....	Watson.....	30,000	.....
Sierra Nevada.....	800,000	102,500	UTAH.		
Succor M. and M.....	273,900	22,800	Wellington.....	55,000	.....
Trench.....	5,000	.....	EUREKA DISTRICT.		
Tyler.....	62,700	.....	Adams Hill.....	50,000	.....
Union Consolid.....	60,000	.....	Columbus.....	87,500	.....
Utah.....	100,000	.....	Eureka Con.....	.....	675,000
Wells Fargo.....	3,600	.....	Jackson.....	52,500	.....
Woodville.....	240,000	.....	K. K. Con.....	.....	62,000
Yellow Jacket.....	2,118,000	2,184,000	Phenix.....	337,500	.....
WHITE PINE.			Star Consolidated.....	30,000	.....
General Lee.....	15,000	.....	PHILADELPHIA.		
Hayes.....	58,000	.....	Belmont.....	225,000	.....
Mammoth.....	95,400	.....	El Dorado North.....	12,500	.....
Or. Hidden Treas.....	330,061	31,900	El Dorado South Con.....	200,000	.....
Silver Wave.....	160,900	.....	Josephine.....	3,750	.....
IDAHO.			North Belmont.....	10,000	.....
Empire.....	250,000	.....	Quintero.....	15,000	.....
Golden Chariot.....	555,000	500,000	Monitor Belmont.....	75,000	75,000
Ida Ellmore.....	575,000	60,000	ESMERALD DISTRICT.		
Mahogany.....	348,800	15,000	Juniata Consolidated.....	82,500	.....
Poorman.....	25,000	.....	Totals.....	31,038,830	56,261,499
Silver Cord.....	132,000	.....		
South Chariot.....	225,000	.....		
Virtue.....	120,000	.....		
War Eagle.....	100,000	.....		
Red Jacket.....	90,000	.....		
COPE DISTRICT.					
Excelsior.....	24,000	.....		
FLY DISTRICT.					
Amador Tunnel.....	60,000	.....		
American Flag.....	195,000	.....		
Alps.....	97,500	.....		
Bowery.....	94,500	.....		
Charter Oak.....	30,000	.....		
Chapman.....	37,500	.....		
Cherry Creek.....	4,500	.....		
Chief of the Hill.....	67,500	.....		
Condor.....	37,500	.....		
Huhn & Hunt.....	219,000	.....		
Ingomar.....	70,000	.....		
Ivanhoe.....	15,000	.....		
Kentucky.....	127,500	.....		
Kinston.....	15,000	.....		
Lillian Hall.....	11,250	.....		
Meadow Valley.....	210,000	1,200,000			
National.....	135,000	.....		
Newark.....	256,600	.....		
Page & Panama.....	190,000	.....		
Peavine.....	37,500	.....		
Pioche.....	180,000	60,000			
Pioche Phenix.....	100,000	.....		
Pioche West Ex.....	66,500	.....		

It is only worth while to mention a few of the mines which have paid, and are not included in this list. The Idaho, at Grass Valley, paid in dividends, the last fiscal year the sum of \$317,750. Since this mine began running, in 1869, it has paid 517 per cent. on the capital stock, or a sum total of \$1,602,700 in dividends. It paid \$102 50 per share last year. The Bald Mountain, from July 1st, 1872, to July 1st, 1874, paid \$164,000 in dividends. The Spring Valley mine, Butte County, turned out in the year ending last July, \$476,112, of which the owners received \$150,000. The Black Diamond Coal Company paid this year \$275,000 in dividends, and the Eastport Coos Bay Coal Mining Company paid \$12,500. Many of the quicksilver mines are paying well, and almost all the hydraulic mines which are in operation are paying. None of these, however, are called in the Board, and their names do not therefore appear. Many other quartz mines are in the same category. But even taking those called in

the Board, in the list given above, by comparing the total assessments and the total dividends, we see a profit to the stockholders of the large sum of \$25,212,569, showing an immense gain on the capital invested. We have said enough on this subject to inform the reader that, while the richest mines are represented in the tables given, it is not practicable to gather the same information from close corporations.

Man and Machinery.

In the early years of this century the laboring classes were in a comparatively helpless condition. They lived poorly; were awkwardly clothed in garments of coarse material, and were content with fare limited in quantity and meagre in quality. Popular education was unknown in its present sense. The workingman gained from the soil a scanty living, or toiled hard to produce it in ill-ventilated factories, aided by the rudest tools and devices; and when his wiser fellows sought to lighten his task by labor-saving machines, he fought against them, and with his own hands strengthened his shackles and renewed his servitude. He struggled upward slowly, and was convinced only after he was defeated. Argument did not make him give up his prejudices, but facts did. When it was shown to him that a cotton gin could clean more cotton and do it better than his own hands, he reluctantly admitted the fact, but denied the general application of it. He fought every improvement in his condition as he would have fought an enemy, and not until his generation, and succeeding ones, had passed away, was he slowly educated into the knowledge that machines could do more work and do it better than his hands.

He regarded all labor-saving machines as so many enemies, eating up the bread of himself and his fellows, and crowding him out of the world, when the fact was then as now, that they are his truest benefactors; instead of depressing his condition they elevate it; instead of decreasing the demand for his services, they increase it. Directly and indirectly, in a hundred different di-

verse yet distinctly traceable ways, machines have been the truest friends of the human race. Men lose sight of these facts in the whirl and bustle of life. They accept the spectacle of the locomotive in place of the stage coach, the steamer instead of the sailing vessel, the telegraph in lieu of the mail, the modern rifle as a substitute for the flint-lock musket, and yet fail to see how greatly these inventions have added to the blessings we now enjoy. By the development of the industries of the country, and not through the efforts of politicians, America stands among the leading nations of the earth.

The advances made in the past twenty-five years are truly wonderful, even to the expert; what must they be then, to those whose avocations lie elsewhere, and who know little of what is taking place in mechanics? It is now possible to construct a sewing machine in a minute, complete in all its appointments, and sixty in one hour. More important than this even is the fact that it is also possible to construct a locomotive in a day. From the plans of the draughtsman to the execution of them by workmen, every wheel, lever, valve and rod may be constructed from the rough metal to the engine intact. Every rivet may be driven in the boiler; every tube in the tube sheets; and from the smoke stack to the ash pan a locomotive may be turned out in one working day, completely equipped, with a tender behind ready to do the work of hundreds of horses.

This is only possible by the use of machines guided and controlled by human intelligence; by a close system of supervision, and accurate economy of time and force, and a thorough knowledge of the business. It is a matter of record that the Baldwin Locomotive Works of Philadelphia have turned out more than one engine per working day. The product of the works for eight years past was as follows: In 1866, one hundred and eighteen engines were made; in 1867, one hundred and twenty-seven; in 1868, one hundred and twenty-four; in 1869, two hundred and thirty-five; in 1870, two hundred and eighty; in 1871, three hundred and thirty-one. As the number of engines

annually produced and the mechanical facilities for making them increased, the working force of men was augmented. Machines did not supplant workmen, but created a demand for them. In 1866 only 817 men were employed, but in 1867, 822 men were needed; in 1868, 917 men; in 1869, 1,432 men; in 1870, 1,852 men; and in 1871, 1,910 men were called for. The opponents of machinery may say that if the machines had not been employed, more men would have been needed; but it is easy to see that in this case the production would have decreased; fewer engines would have been made and fewer men needed to make them; for it is the province of the machine to supplement man's labor; to elevate him and to increase his earnings instead of the reverse.

A man with a pair of stocks and dies may cut, by hard labor, and at a low rate of wages, one hundred five-eighths of an inch bolts in one day; but give him a modern bolt-cutting machine and he will cut three thousand bolts in one day, and cut them better, and earn more money at it than with his hands alone. The machine shop is one of the promoters of civilization. The arts of politicians are subordinate to it. Without the aid given by machines their schemes would fall dead: without the locomotive and the printing press they could not reach the ears of men in certain lines of thought. The ability to design a machine that will execute with automatic precision any given form, requires a special development of brain power, and this development is by no means confined to the inventor, but is shared by many persons. One machine leads to another, and as a consequence the intelligence of the men who are concerned in turning out machinery of a high class is very marked, although they are unknown for the most part except locally. The mechanic speaks through the works of his hands and brains. He adds to the population of the world when he sends forth a machine capable of increasing its working force; he frees his fellows from the bondage of mere handiwork and sets them higher problems to solve. In every way he advances the cause of his race

and leaves the world richer by his labors.—*American Com. Times.*

Important Silver Lodes.

The reputed immensity of the *bonanza* now undergoing development in the Ophir, California, and Consolidated Virginia mines, has led to considerable speculation relative to the yield of other argentiferous lodes in other countries. It is believed in some quarters that this *bonanza*, provided it shall prove to be as rich and extensive as it is computed to be, is far from being equal to ore bodies that have been worked in the mines of Peru and Mexico. A consultation with the most reliable authorities on the subject does not sustain any such belief. Humboldt collected the most reliable data that could be obtained of the yield of the Mexican and Peruvian mines up to the commencement of the present century; but he found it impossible to segregate his material so as to ascertain what each mine, lode, or mineral district had yielded during the two hundred and eighty years they had been worked prior to the time of his visit. The Spaniards kept no record of the product of their mines. The records of the mints—institutions established in the country by the Spaniards as early as 1535—represented the total yield of the Mexican silver mines, from the Conquest to the beginning of this century, to be \$1,767,952,000, to which Humboldt added one-seventh for unregistered silver, making the grand total \$2,027,952,000. Another writer estimates the total yield of the silver mines of Mexico, up to 1858, at \$12,000,000,000, which makes a wide difference between him and Humboldt. During the last half-century the mints in Mexico have been coining silver at the average rate of \$20,000,000 per annum. During the first quarter of this century, owing to internal troubles, their coinage did not exceed \$10,000,000 per annum. If Humboldt's estimate of the total yield of silver during the better part of the three centuries which it covered was correct, then the total yield up to date cannot have exceeded \$3,300,000,000. The great *bonanza* forming the mother vein of Mexico is

the only one of the many argentiferous lodes explored in that country of whose product any definite estimate has been made. Its yield during the three centuries it has been operated is placed at \$300,000,000. But this represents the combined product of the group of mines of Guanajuato, embracing a large number of separate and distinct corporations. The greatest yield of the Valencianna, the richest mine in this group, was \$1,600,000 a year. For all that we know to the contrary, the Guanajuato vein was the richest silver lode ever discovered prior to the Comstock, and the Valencianna the richest mine.

The Cerro de Potosi mines of Bolivia, formerly a part of Peru, yielded during the period extending from 1545 to 1789, according to the most reliable data at command, \$1,000,000,000 in silver. In this estimate the royal dues of one-fifth and the amount smuggled do not appear, but which, it is computed, will swell the total yield to \$2,000,000,000. But this sum again represents the product of 5,000 openings in the conical summit of the silver-bearing mountain, which probably represent in turn half as many separate mines and distinct lodes. For twenty years subsequent to their discovery, the mines of Potosi are represented to have yielded at the rate of \$2,250,000 a year, but this has been considerably lessened during the present century, owing to the immense volume of water to contend with at great depths. Humboldt placed the annual product of the silver mines of Peru, which then included the Cerro de Potosi group, at \$5,300,000, basing his estimate upon the returns of the mint at Lima.

Very rich argentiferous lodes have been worked in Europe. The ore has generally been of a much higher grade than the ores of Mexico and Peru, but the veins have been narrow, and consequently more difficult to work. Ure represents that the mean product of the whole quantity of silver ore reduced annually in Mexico "only amounts to from 1.18 to 0.25 per cent—that is, from 3 to 4 ounces, the true average not being over $2\frac{1}{2}$ ounces per 100 pounds." He main-

tains that it is by their greater profusion of ores, and not by their superior richness, that the silver mines of the Americas surpass those of Europe. The mining district of Freiberg, in Saxony, the richest silver-bearing district in Europe, contains one hundred and fifty mines, yielding a combination of silver, lead, copper and cobalt, and yet the total mineral product of the entire district does not exceed \$1,000,000. The Sierra Almagrera silver mines in Spain, never yield more than \$350,000 a year, and the maximum product of the neighboring silver mines of Hiendelencina was only about \$200,000. The greatest yield of the silver mines of Konigsberg, Norway, in any one year, was only a quarter of a million dollars. How much these mines have yielded since their discovery we have not at present any means of ascertaining; but it is evident that their total yield would cut no figure in comparison with the mines of Mexico and Peru, while the magnitude of the developments in the Comstock are such as to place it at the head of all silver-bearing lodes that have ever been discovered.—[*Evening Bulletin*, Jan. 19th, 1874.

—The Cerbat, A. T., correspondent of the *Arizona Union*, of December 28th, says:

Col. D. Buel has purchased the grand McCrackin mine from Mr. McCrackin, Chloride Jack and others, for the sum of \$240,000, and it is considered a very cheap bargain. Those who have examined this claim consider it a second Comstock. I saw some of the rock which assayed \$2,700 per ton. Men are at work taking down the mill on the Colorado River, for the purpose of removing to this mine, and when once in operation, under the management of R. Stein, will, undoubtedly, give magnificent returns in gold, as the vein is enormous in size and very rich.

The celebrated Gun-Sight mine is again yielding to its owner, H. B. Peterson, beautiful ore that carries \$1,500 per ton. He has three men at work, and, to show his friends at Prescott that he is not drawing on his imagination for facts, he intends to send some samples there.

All prominent mines in this vicinity and

Mineral Park and Chloride are looking well, and miners are busy taking out rock for Colonel Buel's mill. All the rock worked at this mill has more than realized the expectations of miners; in fact, the mill is a success.

—According to a recent report made to the British Board of Trade by Captain Tyler, an inspector of the railways of the United Kingdom, the average dividend made in 1873 by the companies was 5 per cent. on ordinary capital, while the average earnings were 46 per cent. "By the running of trains over a distance of 197,354,749 miles," says the report, "£55,675,421 were received during the year, of which £30,060,112 were expended in working and maintenance, and £25,615,309 remained as net profit; so that 54 per cent. of the gross receipts were expended in earning them." What use the balance was put to after making 5 per cent. dividend out of 46 per cent. net earnings is not stated. The average cost per mile of working trains was 36 shillings 57-100, while the net profits were 31 shillings 14-100 per mile.

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OF NEWARK, N. J.

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FRANCIS MACKIN, ANDREW A. SMALLEY,
Vice-President. President.

WILLIAM R. FREEMAN, Secretary.

References in San Francisco:

F. F. LOW, Esq., Manager Anglo-Californian Bank.
J. A. DONOHUE, Esq., of Donohue, Kelly & Co., Bankers.

Extract from a letter written by Messrs. Eugene Kelly & Co., Bankers, N. Y., to Messrs. Donohue, Kelly & Co., Bankers, San Francisco:

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COAST REVIEW.

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INSURANCE.

The Crocker-Springer Case.

This was an action brought by H. S. Crocker against the Widow and Orphan Fund Life Insurance Company, of Nashville, Tennessee, on a policy of \$10,000, on the life of Thomas A. Springer, formerly State Printer, and payable to Crocker.

The suit was tried in the 12th-District Court, in this city, a few weeks since, and resulted in a disagreement of the jury.

We give, below, the substance of the evidence bearing on the points at issue. Of course, we omit much of the evidence in the case, but consider that which we omit of no great importance, much of it being irrelevant.

In the application made to the Widow's and Orphan's Fund, May 25th, 1873, Mr. Springer stated, in answer to the following questions:

Q. Has the person ever had any of the following diseases or symptoms thereof: Spitting of blood, consumption, liver complaint, asthma, diseases of the heart, or piles? A.—Raised a little blood, twenty years ago. Q.—Has the person ever had

an habitual cough? A.—No. Q.—Are the brain, the nervous and muscular systems, the lungs, heart, abdominal and urinary organs in a healthy state? A.—Yes. Q. Are the person's habits of life correct and temperate? A.—Yes. Q.—Have they always been so? A.—Yes. Q.—Name and residence of the person's usual medical attendant? A.—Have none. Q.—Has the person ever been declined in any Company? A.—No. Q.—Has any physician ever given an unfavorable opinion of the person's life? A.—No.

In application made to the Pacific Mutual Life Insurance Company, on the 3d day of May, 1869, in answer to the questions "Have you had spitting of blood, liver complaint, disease of the heart, etc., etc?" Mr. Springer said: "Had liver complaint slightly in 1868." In the same application in the medical examiner's certificate in answer to the question: "Is the party subject to cough, etc?" the physician says: "Has a light, spasmodic cough at times." The same physician says in answer to question: "Is the party sober and temperate in his habits?" "At present."

In an application made to the Union Mutual Life Insurance Company, on the 7th day of January, 1873, only a few months previous to making the application to the Widow's and Orphan's Fund, he stated in answer to the questions: "Has the party ever been afflicted with habitual cough, disease of the lungs, spitting of blood, asthma, disease of the heart, liver complaint, etc., etc?" "No habitual cough, but has a cough when he takes cold." "Name and residence of the party's usual medical attendant?" "Dr. A. B. Nixon, of Sacramento." In answer to the question: "Has any application ever been made upon which policy was not issued?" He answered: "Yes," and gave as a reason that he had a slight, spasmodic cough at the time. In the medical examiner's certificate of the application to the Union Mutual in answer to the question: "Has the party ever spit blood?" it was stated: "24 years since spat a small quantity of blood, which was repeated about four weeks ago." It is unnecessary to state that the Union Mutual, through their medical director in this city, declined this application.

Mr. Springer also made an application to the Piedmont and Arlington Life Insurance Co., on or about the 21st of January, 1873, which was rejected by L. B. Edwards, the general agent for the Pacific Coast. This application having been misplaced, L. B. Edwards was called and stated that he had power to reject risks and did reject the application of T. A. Springer, and notified the agent, who made the application by letter which was admitted as evidence. The following is a copy of the letter:

SAN FRANCISCO, Jan. 22nd, 1873.

Messrs. —, Sacramento.

Gentlemen:

In consequence of the past history of himself and family, present weight in proportion to height, recent hemorrhage from the lungs stated in family physician's certificate, habitual cough from effects of cold, previous rejection by another company and other causes, application of T. A. Springer is declined by our company. Respectfully,

L. B. EDWARDS,

Gen. Agt. P. and A. Life Ins. Co.

Dr. E. B. Harris, of Sacramento, stated that he had known Springer from 1855 up to his death; prescribed for him in 1855 or 1856, and prescribed again for him in Sacramento, in May and June, 1873, for chills and fever, with bilious troubles that usually accompany that disease, and at different times up to October, '73. On the 17th of September, he had severe bleeding at the nose; bled about a pint and a half, which he attributed to disease of the liver. Dr. Harris told Springer that he thought his attacks were partly attributable to drinking. Springer told him that when in San Francisco he would have attacks of asthma.

Dr. A. B. Nixon, of Sacramento, stated that he was acquainted with Mr. Springer, and rendered him medical services at two different times in 1872, and was considered his family physician during that year. Early in the morning of December 1st, 1872, he was called to see Mr. Springer at his residence, and found him expectorating blood, and told him that he was having hemorrhage of the lungs, which he (Springer) appeared to doubt, at first, supposing that the blood came from his stomach.

The Doctor satisfied him soon, however, that such was not the case. And the Doctor in his deposition said: "I now say that it was hemorrhage of the lungs." He further said, that Springer had an attack of piles during the month of August, 1872. Of his personal knowledge he knew nothing of Springer's habits of drinking, but judging from his general appearance, he thought Springer was a man who stimulated too much.

Dr. Nixon did not consider this hemorrhage necessarily of a serious nature.

Dr. Boarman, of Jackson, California, testified as follows: "Have known Springer from the year 1852, continuously, up to his death. For many years before his death, thought there was functional disease of the liver. Never treated him for any liver disease. We talked frequently of his sickness, and as we were intimate friends, I would take the liberty of saying: 'Tom, you will soon have a whiskey-drinker's liver.' His habits were good generally, except that he

was an habitual drinker. There were times when he was strictly temperate. His nervous irritability was the general result of an over stimulation."

Dr. W. R. Cluness, a physician of Sacramento, stated that he examined Springer for Insurance in the spring of 1873. He saw nor found no trouble with his liver. Found nothing to indicate asthma, liver complaint, intemperance or any disease. Dr. Hatch, of Sacramento, said that he examined Springer in May, 1873, and said if Springer had told him he (Springer) had bled from the lungs, within a few months, he would not have passed him for insurance. Dr. Stillman, of San Francisco, medical referee of Widow's and Orphan's Fund said: "If the assured had said, that within two years he had spit blood, I would have rejected him. If he had said that he had liver complaint, it would depend on the effect it had had on him. Any heart disease would be a disqualification. If he had said that he had, at a former period, been a moderate drinker, if habitual, I would not have passed him." Mr. J. W. Armstrong, of Amador, knew Mr. Springer; said he was a moderate drinker, but never saw him drunk.

Dr. Fisk, of Sutter Creek, Cal., testified: "Knew Springer during the time between 1861 and 1873. Had a friendly and somewhat intimate acquaintance with him. Became his practising physician in latter part of '73 and was during his last illness. Springer had a diseased condition of liver in Amador. His regular physician told him that there was a chronic enlargement of the liver. He also had heart disease at that time and afterward. That was about 7 or 8 years ago. The immediate cause of Springer's death was hypertrophy of the heart. I regarded this as the same, continuing from the first to death. In my opinion he was never free from those diseases, from the time first mentioned till death. In January, 1873, he called at my office and said that he had the asthma. On examination, I detected the old complaint, enlargement of heart, which had produced the symptoms of asthma. There was also much bronchial cough. Springer was considered a free drinker in Amador.

Have seen him drink many times. His drinking habits injured his health, and 7 or 8 years ago, Dr. Page and myself told him that the use he was making of alcoholic drinks was injuring him. Springer has used liquor ever since I have known him, some 23 years. He told me he had been drinking to excess in August, '73, and when he came back from Santa Cruz, he was sick and said he had been drinking altogether too much. He was satisfied that his illness was caused by excessive drink, and he never recovered from that illness. A diseased condition of liver continued from the time of examination in Amador to death. I considered the disease he died with, (hypertrophy,) a chronic one. Springer gave to Dr. Page and myself in Amador, all the symptoms of the disease of which he died."

Dr. Soule, who has been medical examiner for life insurance companies for several years, said he deemed the questions, as to former rejection and who the medical attendant was, material. He stated that he was called in to consult on Springer two or three months before his death, and found valvular disease of the heart and enlargement of the liver. He further said, that chronic cases of valvular disease of the heart, never recover, and that such complaints are generally of long standing.

At the request of the defendant, the Court instructed the jury as follows: The contract of insurance in this case is to be considered in the same spirit and manner as other contracts between man and man. If you find that the declarations and statements made by said Springer untrue in any material respect, or if any of the answers of the said Springer therein contained were fraudulent or untrue, without any matter material to the risk, the plaintiff cannot recover. The Court charges you that the statements and declarations in the application made, and the answers given by said Springer, are the basis of the contract between the Company and the plaintiff, and if you find that they or any of them are untrue or fraudulent and material to the risk, then the plaintiff cannot recover. If you find that, before effecting this insurance said Thomas A. Springer had

ever suffered from the disease called spitting of blood, except as named by him as occurring some twenty years ago, and such disease, or the answering falsely or fraudulently as to such disease in said application was material to the risk, then the plaintiff cannot recover, and your verdict must be for the defendant. If you find that said Springer had suffered from any symptoms of the disease called spitting of blood, and such symptoms and the answering falsely or fraudulently as to such symptoms in the application was material to the risk, then the plaintiff cannot recover, and your verdict must be for the defendant. If you find that the said Springer, before effecting this insurance, had ever had liver complaint or such disease or answering falsely or fraudulently in said application, as to having had such disease, was material to the risk, then plaintiff cannot recover, and your verdict must be for the defendant. If you find that said Springer, before effecting this insurance had ever had the disease called Asthma, and such disease, or the making any false or fraudulent answer as to having had such disease, was material to the risk, then plaintiff cannot recover, and your verdict must be for the defendant. If you find that said Springer, before effecting this insurance, had ever had the disease called the piles, and such disease, or any false or fraudulent answer as to having had such disease was material to the risk, then the plaintiff cannot recover. If you find that the said Springer's habits of life were not correct and temperate at the time of effecting this insurance, or if they had ever been other than correct and temperate, and you find that that fact, or that any false or fraudulent answer with reference thereto, was material to the risk, then plaintiff cannot recover. If you find that said Springer, or any other person on his behalf, had ever applied for insurance on his (said Springer's) life, to any other Company before effecting this insurance, and had been declined, and that that or any false or fraudulent answer with reference thereto, was material to the risk, then the plaintiff cannot recover. If you find that any application had ever been made by said

Springer, or by any other person for him, for insurance on said Springer's life, prior to the application made in this case, and any physician gave an unfavorable opinion of the life of said Springer, in the matter of such application that was material to the risk, then the plaintiff cannot recover. If you find that any of the questions contained in said application made to the defendant were answered either falsely or fraudulently by said Springer, and said questions and answers related to matter material to the risk, then the plaintiff cannot recover. The Court charges you, that every representation is to be deemed material which there is just reason to believe determined, or may have determined, the insurer to insure or influenced his estimate of premium. The test of materiality is the probable influence of the statement upon the mind of the insurer. If you find from the evidence in the case that any fact, which in your opinion was material for the information of the Company respecting the state of Springer's health, and which was known to him, was concealed by him when inquiry was made upon his application, then the policy was void. A representation, materially untrue, made by the insured regarding any material matter inquired of in the application, avoids the policy even if made ignorantly and in good faith. By a material fact, is meant one which, if communicated to the insurer, would induce him to decline an insurance or not to accept it unless at a high premium. The application in this case, and on which the policy issued having been signed by both the plaintiff (Crocker) and the deceased (Thomas A. Springer), they were both supposed to know all that said application contained; and both thereby admitted that all questions and answers contained therein were material. The declarations and answers of said Springer are to be taken as warranties that his statements and answers to questions are true in every material respect, and any misstatement or untrue answer which was material will render the policy void, and you must find for the defendant. An answer made by Springer to the questions propounded to him was material, truth

or untruth of which influence the defendant—the insurance company—in considering whether or not it would enter into the final contract and issue the policy.

New York Rates.

We give, below, the report in full of Mr. James Harrison, Superintendent of Rates and Surveys of the New York Board of Underwriters, which will be found interesting and instructive :

NEW YORK, January 12, 1875.

To the Committee on Rates and Surveys of the New York Board of Fire Underwriters of the City of New York :

GENTLEMEN—In presenting my second annual report of this Bureau, it gives me great pleasure to state that the system of rating buildings by the schedule so happily adopted two years ago, continues to meet with the approbation of property-owners, merchants and architects, who express their hearty approval of the suggestions made, not only influenced by the promised reduction of rate, but also by the conviction that the property will be greatly benefitted in the proposed immunity from the danger of fire.

The best evidence of the success of the present standard is this unqualified approval expressed by all who have sought information in relation thereto. The proposed changes or alterations are admitted to be of advantage to the insured, as well as to the insurer ; and the expressed wish is general that the system of rating, superior in every respect to any heretofore adopted, proposing so many important improvements, with such general fairness and equity, may long be continued.

It cannot be doubted that the operation of the present system tends to the general protection from danger by fire. The schedule proposes the removal of all exterior matter calculated to spread a fire and induce a general conflagration, and also provides for internal arrangement of our warehouses and storage stores, by the closing of communications, either by brick walls or by secure iron doors, thus confining the fire to a section of the building only.

Well-holes, untrapped hatchways, and dummy elevators are conducive to the spread of fire through a building with a rapidity that often baffles the best directed efforts. A fire occurred in Franklin Street, in the basement of the building, in which apartment it would have been easily controlled, but unfortunately an uncovered well-hole, leading to the upper story, and forming a flue, carried the fire to the roof, thereby destroying the upper part of the store, involving a loss by fire as well as the interruption of business that could have been prevented by the expenditure of a few dollars.

Many of the alterations and improvements have been of an extensive character, and only effected by a large outlay of money.

As an instance, reference is made to the Old Appraisers' Stores, Nos. 115 to 123 Greenwich Street, through to New Church Street. These buildings, under the standard, having a frame Mansard roof, rated 225c. ; but, by alteration of roof, closing of communications, addition of iron shutters, erection of water appliances, and fire-proof room for boiler, the rate was reduced to 75c. This is but one instance out of very many changes effected by the present standard.

It will be found, on reference to appended statement, that nearly one hundred vertical pipes have been erected in this city and on Brooklyn shore-line. Thus far their actual value at a fire has never been tested in this city, but from experimental trials it is confidently believed that they will be of valuable assistance to the fire departments.

It is certain, however, that the vertical pipe presents advantages over the usual method of conveying water to the roof of a building for extinguishing fire. One important advantage is, that water can be thrown a greater distance when forced through the pipe. During a trial at one of the storage stores, a stream of water through a one and a half inch nozzle was thrown a distance of seventy feet ; the same force was applied to a length of hose conveyed to the roof, using the same nozzle, the stream only reaching a distance of forty feet.

In relation to frame Mansard roofs on warehouses, there remains one hundred and

eleven out of the original two hundred and five. These are scattered through a district of valuable buildings filled with merchandise. Fortunately, our building laws are stringent; the further erection of such structures being prohibited, it is certainly to be hoped that a firm adherence to the rates will be maintained until these architectural blots and points of danger shall be altered or removed.

If there be any who imagine that the labors of the past two years have completed the work and rendered our city fire-proof or free from the dangers of a wide-spread conflagration, permit me to assure them that the time is not yet. There are miles of narrow streets and the buildings on either side filled with valuable merchandise, in some instances close to windows unprotected by iron shutters, frame mansards ready to scatter their flaming brands, with other exposures that need removal or correction; to say nothing of internal hazards, the results of carelessness or the torch of the incendiary. 'Tis true we have an able and well-trained fire department and every appliance that skill can suggest, but the experiences of the past teach us that a peculiar combination of unfortunate circumstances can paralyze the efforts of the best organizations, and leave us to gaze helplessly on the wide-spreading ruin.

The true principal is to remove, so far as possible, the causes that may tend to the spread of fire, and thereby lessen the chances of crippling the agencies used to extinguish it.

The preparation or improvement of each separate building as provided for by your standard, and the erection only of a class of buildings comparatively fire-proof, is a step far advanced in the right direction, and a possible protection from the horrors of an extensive conflagration.

All improvements made and reported are critically examined before reduction of rate is made, and if found to be correct, the rate is changed, and duly promulgated by slips to the several companies.

There are few who can appreciate the labor attendant upon a critical survey of a building with a view to its rating. Every part

of the building, and the details of every part, from sub-cellar to roof, is examined, and faults or improvements closely noted. Storage stores are to be inspected continually, as the contents are being constantly changed, and the rates liable to be affected thereby.

The Bureau of Surveys is divided into four several departments, each surveyor making a complete return of every survey, supplying material for information to the Companies. This work is greatly facilitated, and the expenses of the Bureau reduced, by the addition of a printing press and the employment of a skillful operator.

At the request of the Committee, the surveyors have cheerfully given their time, and examined all the piers along the North and East rivers, either with a view of ascertaining their then present condition, or of suggesting practical improvements. The information thus gained enabled the Committee to adjust the rates on piers. The suggestions made by these surveyors have been conducive to the introduction of several valuable improvements for the protection of merchandise on piers, the arrangement of water appliances, and in providing the watchmen with approved watch-clocks.

During the past year, two thousand, four hundred and eighty-five surveys have been made, and one hundred and ninety-one slips issued.

These changes necessarily involve an alteration of rates on the several buildings, and consequently have affected the average rate since the last Report.

Your obedient servant,

JAMES HARRISON,
Sup't of Rates and Surveys.

—The *Expositor*, of Philadelphia, "an independent insurance journal" for January, has reached us, and the first thing of interest that we notice, is the announcement that Nat. B. Truman, former editor and proprietor, has retired from the *Expositor*, and the next thing that we see is the announcement that R. F. Ross is going to run the *Expositor*, and that he will uphold and defend all corporations honestly conducted, will denounce all that are corrupt and improperly managed.

Palace Hotel, San Francisco.

Messrs. Hutchinson, Mann & Smith, General Insurance Agents of this city, have made a complete survey, giving diagrams of each floor of the Palace Hotel, which is being erected on the corner of Market and New Montgomery Streets, in this city. These enterprising gentlemen have the placing of all the insurance (\$2,000,000) on this hotel and furniture, the rate on which was fixed by the San Francisco Board of Underwriters at 2.25.

This hotel building occupies the entire block — 344 by 265 feet — bounded by New Montgomery, Market, Annie and Jessie Streets. It is seven stories high. From the survey we take the following items, which will show the magnitude of this immense structure; and it is safe to say that the proprietors of this building are taking every precaution to prevent its destruction by fire:

<i>The height of the various stories is as follows:</i>		<i>The Walls are of the following thicknesses:</i>	
		Exterior Walls.	Interior Walls.
First Story.....	27 feet, 3 inches.		
Second ".....	13 " 9 "		
Third ".....	14 " 7 "		
Fourth ".....	14 " 0 "		
Base of Foundation Wall.....	12 ft.		
Top of Basement ".....	3 ft. 7 in. to 4 ft. 6 in.	6 ft. @ 12 ft.	
Wall of First Story.....	3 ft. 3 in. to 3 ft. 7 in.	2 ft. 2 in. @ 3 ft. 7 in.	
" Second ".....	2 ft. 6 in. to 3 ft. 3 in.	1 ft. 9 in. @ 3 ft. 3 in.	
" Third ".....	2 ft. 6 in. to 3 ft. 3 in.	1 ft. 9 in. @ 2 ft. 6 in.	
" Fourth ".....	2 ft. 6 in. to 3 ft. 3 in.	1 ft. 5 in. @ 2 ft. 6 in.	
" Fifth ".....	2 ft. 2 in. to 3 ft. 3 in.	1 ft. 1 in. @ 2 ft. 6 in.	
" Sixth ".....	2 ft. 2 in. to 3 ft. 3 in.	1 ft. 1 in. @ 2 ft. 2 in.	
" Seventh ".....	1 ft. 5 in. to 3 ft. 3 in.	1 ft. 1 in. @ 1 ft. 5 in.	
above Roof.....	1 ft. 5 in. to 3 ft. 3 in.	1 ft. 1 in. @ 1 ft. 5 in.	

The foundation walls, at their base, are built with inverted arches. All exterior, interior and partition walls, at every five feet, commencing from the bottom of the foundation, are banded together with bars

of iron, forming, as it were, a perfect iron basket work filled in with brick. The quantity of iron so used increases in every story towards the roof, and in the upper story the iron bands are only two feet apart.

In the construction of these walls, there have been used 24,660,596 hard bricks, 28,393 barrels of cement, and 22,160 barrels of lime.

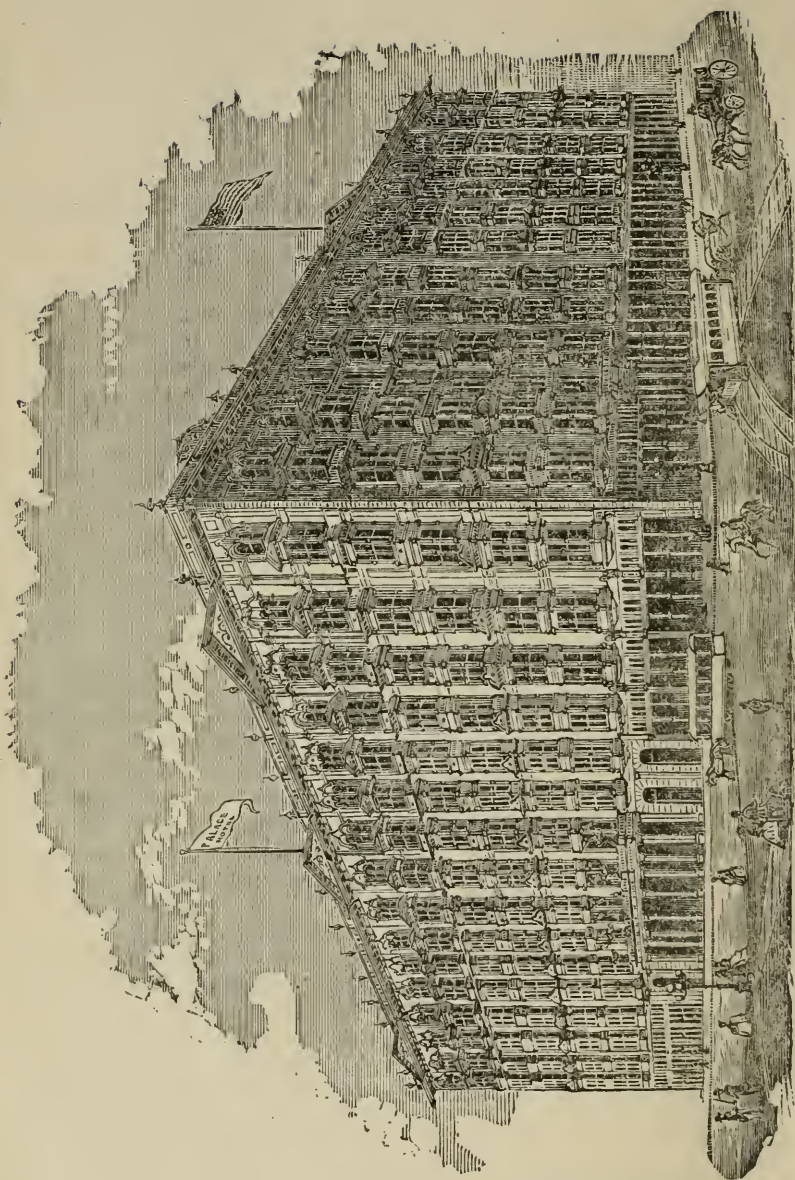
The whole work, from the commencement to the completion of the structure, has been done "by the day," and in every respect in the most thorough manner.

Roof and Partitions.—The roof is covered with tin, all of the brick partitions extending up through it. All partitions are of brick, excepting those directly above the large public rooms, which are of wood filled in with brick to the height of base and wainscoting, and also from the ceiling of the upper story to the roof, so that in the event of fire in one room or section, it cannot communicate to another.

The Cornice is of zinc and iron.

Courts and Driveways.—The building has three courts, the centre one having an iron framed glass covering, and is 144 by 84 feet, with a drive-way and side walk opening on New Montgomery Street, forty feet wide. The two outer courts, from the basement level are each 22 by 185 feet, with two drive-ways, 20 feet wide, one from Market and Annie streets, and one from Annie and Jessie streets. These are connected by two brick-arched passage-ways, ten feet in width, allowing ample space for a four-in-hand team to pass under and through them.

Water Supply and Pumping Machinery.—There are four artesian wells of a ten-inch bore; two are placed in each outer court. They have a tested capacity of 28,000 gallons per hour. These wells, together with the city water works, supply the large reservoir located under the centre court. This reservoir is 107x64, and 20 feet deep, with a capacity of 630,000 gallons. It is built of brick and cement, the walls being five feet through, and supported by buttresses, and is divided into two equal compartments by a wall of the same thickness. These two compartments are subdivided by two brick walls,



PALACE HOTEL, SAN FRANCISCO.

the whole being banded together at bottom and top, and at midway in two places, by rods of two-inch iron. The bottom is made with inverted arches, and the top of iron beams and brick arches.

The seven tanks on the roof are of boiler iron, and are supported by iron beams. They have an aggregate capacity of 128,000 gallons, and furnish all the rooms of the building with water.

Two steam pumps force the water from the wells into the reservoir and into the tanks upon the roof. These pumps have 14-inch cylinders, 21-inch stroke and 10-inch water-way.

Two additional steam pumps, each of 7-inch cylinder, 9-inch stroke and 5-inch water-way, feed four tubular boilers, 4x16 feet each, placed in a brick and iron vault under Annie Street. These boilers provide steam for the pumps above mentioned—steam to heat water for the hotel, and steam to heat the registers in the large public rooms and corridors.

Three large steam fire pumps, of 18-inch cylinder, 15-inch stroke and 8-inch water-way, force water from the reservoir into the 8-inch main laid through the basement, which main is connected with 45 4-inch upright wrought iron fire mains reaching above the roof. These fire mains have 392 $2\frac{1}{2}$ -inch outlets, as follows: 16 in basement; 14 on street level; 45 on first story; 2 on *entresol* story, and 45 on each ascending story and the roof. These outlets are distributed with all possible convenience, as follows: 6 in the Centre Court; 4 in each of the outer courts; 8 on New Montgomery Street, 6 on Market Street, 9 on Annie Street, and 7 on Jessie St.

Five-ply 3-inch carbolized fire-hose, ranging from 50 to 100 feet in length, with nozzles, is provided for each outlet. In addition to the above safeguards, there are 8 4-inch wrought iron fire mains, under the sidewalks, connected with the city water mains, from which water can be forced by means of the city fire engines into the fire mains of the building.

Elevators.—The 5 elevators in the building are run by hydraulic power. They are encased in fire-proof brick walls from base-

ment to above the roof, excepting the proper openings for passing in and out.

Floors and Ceilings.—The floor of the entire basement, in which is located the Laundry, is laid with marble and asphaltum, there being no wood in either the floor or the partitions. The ceilings of the storerooms, larders, bakery, confectionery, steam-pump room, water-heating room, coal vaults, two cross-driveways, corridors leading to the servants' dining-rooms, workrooms, servants' bath and closet-rooms are all made with iron beams and brick arches, thus rendering these apartments absolutely fire-proof.

The First floor, Main Corridors, Kitchen, Kitchen Oven-room, Kitchen-scuttery, Kitchen-office and Store-room, Pantries and Wine-room, are laid with marble on brick arches built on iron beams. All the other marble floors are laid on foundations of brick and cement.

The Ceilings of the Pantries, Kitchen-scuttery, Kitchen Oven-room, Kitchen-office, Store-rooms, Servants' Dining-room, Wine-rooms, all Landing-places on the brick-enclosed iron stairs, and Landings of the elevators for use of servants, are fire-proof.

The Compartments for coal on each floor, the Ash-vault in the basement and the Shaft leading thereto, are also fire-proof; thus making all the working-rooms absolutely secure against fire.

All other floors in the building are made of $1\frac{1}{4}$ -inch Oregon pine, laid diagonally; on this are nailed 2-inch strips of wood placed one foot apart—the whole covered first with a thin coat of plaster. The space between are filled with a composition containing five parts sand and one part plaster. This material, when "set," becomes as solid as stone. The surface is next covered with a thin coat of plaster, and the regular floor is laid on top. The basements under the stores are paved with asphaltum, and the vaults under the sidewalks in front of the stores, as well as those on Annie, Market and New Montgomery streets, are covered with brick arches, supported by iron beams; rendering them absolutely fire-proof.

Fire Alarm System.—Fire Alarms com-

municating with the office in event of extraordinary heat or fire, are placed in all the rooms, passages and storage rooms. The eighteen stores and the basements of the same, are provided with Fire Alarms; the locations of which are known only to the hotel people.

Watchmen and Watch Clocks.—The Hotel Watchmen will visit every part of the building and roof; and every thirty minutes, day and night, will touch in their rounds 79 stations; at each of which their presence will be recorded by an electrical apparatus under lock and key.

Valuation.—The Building, when completed, will cost from \$2,500,000 to \$3,000,000.

It is the opinion of the Chief Engineer of the San Francisco Fire Department, that with the three large steam fire pumps always maintained in working order, keeping a constant pressure of 140 pounds on the water mains, together with all the extraordinary precautions and most complete fire apparatus ever introduced into any building on the continent, it is an utter impossibility to burn the building, or any adjacent property.

Messrs. H., M. & S. have placed insurance on this hotel, on which policies have been issued in the following companies, located or represented in this city:

CALIFORNIA COMPANIES.

California, San Francisco.....	\$10,000
Commercial, San Francisco.....	5,000
Fireman's Fund, San Francisco.....	5,000
Home Mutual, San Francisco.....	25,000
State Investment, San Francisco.....	10,000
Union, San Francisco.....	40,000

COMPANIES FROM OTHER STATES AND COUNTRIES.

Amazon, Cincinnati.....	\$ 5,000
American Central, St. Louis.....	7,500
Atlas, Hartford.....	5,000
Etna, Hartford.....	10,000
Clay, Newport.....	2,500
Citizens', St. Louis.....	5,000
Citizens', Newark.....	2,500
Connecticut, Hartford.....	2,500
Commercial Union, London.....	15,000
Franklin, Indiana.....	2,500
Franklin, St. Louis.....	2,500
Faneuil Hall, Boston.....	2,500
Fire Association, Philadelphia.....	5,000
French Insurance Corporation, Paris.....	7,500
Girard, Philadelphia.....	2,500

Globe, Chicago.....	2,500
Home, Columbus.....	5,000
Home, New York.....	7,500
Home, Newark.....	5,000
Hamburg-Bremen, Hamburg.....	25,000
Kansas, Leavenworth.....	2,500
Lorillard, New York.....	5,000
London Assurance, London.....	15,000
London and Lancashire.....	5,000
Mercantile, Chicago.....	5,000
Mississippi Valley, Memphis.....	5,000
Merchants', Newark.....	7,500
Manhattan, New York.....	5,000
New Orleans Insurance Association, La.....	10,000
New Orleans Insurance Company, La.....	5,000
North Assurance, London.....	10,000
Penn, Philadelphia.....	2,500
Peoples, Memphis.....	2,500
Phoenix, Hartford.....	7,500
Rhode Island, Providence.....	5,000
Svea, Switzerland.....	20,000
St. Louis, St. Louis.....	5,000
St. Paul, St. Paul.....	5,000
Scottish Commercial.....	10,000
St. Joseph, St. Joseph.....	5,000
Transatlantic, Hamburg.....	10,000
Traders', Chicago.....	2,500
Underwriters Agency, New York.....	5,000
Westchester, New York.....	2,500
Total.....	\$377,500

State Deposit Laws.

In the February number of the *Insurance Times* we find the following very sensible remarks on the subject of the Deposit Laws:

The vain attempt to protect the people, by State legislation requiring deposits, against irresponsible and fraudulent insurance companies, is being again repeated in a number of the States at the present time. 'Whatever may be said in favor of a deposit of capital in the State where a company may be chartered, such deposits being for the benefit of *all creditors* of the company, there seems to be an entire misapprehension of the effects of the system of *special* deposits as now sought for by these proposed laws. We can readily see that, if all insurance companies were organized on an honest capital, commensurate with the amount of risks to be assumed, and under competent management, there would be little or no necessity for deposits of any kind; for the capital, if actual and *bona-fide*, would, of itself, secure the needed protection, and, as a matter of common prudence, avail itself of skillful and

experienced managers. But the prime object of a single deposit in the State under the laws of which a company is organized, is, we apprehend, not so much the protection secured by the deposit in case of a sweeping conflagration, as the prevention of new companies being formed with neither capital nor honesty. An actual deposit of half the capital would effectually stop the formation of this class of companies, even in West Virginia, which just now seems to be the Utopia of all the insurance rogues who have been driven from other States by a rigid enforcement of the laws and the vigilance of the State officials. Such a deposit would put the floating of spurious companies beyond the reach of such rascals, as, for a price, furnish the government bonds for official examination, only to be withdrawn within an hour after the officer's back is turned, or before the ink is dry upon the certificate obtained by such frauds. If that be the purpose of the law, we would not object, as at present advised, though we are not quite prepared to favor it; for we believe the present laws, if honestly and efficiently executed, are fully equal to the emergency, and will protect all who do not, by their own carelessness and indifference, invite the danger to their own doors. However this may be, we have yet to hear the first argument of any real value advanced in favor of special deposits in the different States where the agency companies are doing the great mass of their business.

FIRST. We are told that a deposit secures to the policy-holder a preference over others in case of the insolvency of the company. This advantage, if it be one, is more imaginary than real. The bankruptcy of the company would, as a matter of law under the act of Congress, place all creditors on an equal footing as to the entire funds of the company, and thus no real advantage would be derived from such special deposit, exclusively for the citizen of the State having such laws. If the bankruptcy of the company was caused by a large fire in the State holding the deposit, the amount, if it be no larger than is usually required, would be but a drop in the bucket, so far as

any peculiar advantage is to be secured for the creditors in that State. What would have been the advantage at the great fire in Chicago, in 1871, to the policy-holders, of such companies as the Home and *Ætna*, with their three and four millions of losses respectively, if the State of Illinois had, at that time, held a special deposit of twenty or fifty thousand dollars from each? As the companies paid every dollar promptly, such a deposit could have been of no possible service, but, if they had been compelled to succumb, the deposit would have been a mere bagatelle, while if, perchance, the companies had been required by similar laws in all the thirty-seven States of the Union, to deposit like sums for the especial protection of policy-holders in such States, such deposits would, by their very terms, have been unavailable to that extent for the payment of losses to the Chicago sufferers.

To illustrate the practical workings of such a system, if logically carried out, take the case of a company which, at the time of that fire, had gross assets to the amount of \$5,000,000, with deposits of \$100,000, in say thirty different States, for the benefit of policy-holders in such States. Assume the unearned liability to be \$1,500,000, a low estimate for such a company, and bearing in mind that this unearned liability is declared to be a preferred claim as in New York, in case of insolvency, there will remain available for the loss at Chicago, of say two millions, only the sum of \$500,000, besides the special deposit of \$100,000 with the State. All the assets other than these two items are otherwise appropriated, and are not available for this emergency, unless it be said that the company, not being insolvent, may rightfully use the unearned fund to bridge over the crisis. But suppose the loss to be \$3,100,000, instead of \$2,000,000, where is the odd million to come from, since of the \$5,000,000 of gross assets, \$2,900,000 is specially deposited in the twenty-nine other States, and thus, for all actual avail, in this emergency, as useless as if buried in the ocean.

SECOND. If this be regarded as an extreme case, it is simply so because the de-

posits are respectable in amount, as they should be if any real protection is sought for the policy-holder of such States. A smaller deposit would be an insult to the prime purpose of such a law. Look at the enormous amount of risks written in the State of Illinois, and see if a smaller deposit would be any adequate protection, in itself considered, if, as the friends of such laws claim, the people are to be protected thereby absolutely against loss. Take, for example, a company having at risk \$10,000,000 in the State of South Carolina, where a deposit of \$20,000 in the bonds of that State was and is now required. These bonds are now selling for about thirty cents on a dollar, and will thus give to the deluded policy-holder in that State, if he relies upon the deposit, the immense protection of \$6,000, thinly spread over \$10,000,000 of risks in that highly favored State. If he is not to rely upon the deposit, why, in the name of common sense, burlesque the idea of protection by such farcial legislation?

THIRD. Special deposits are a delusion, and a snare to the insured; for, when made, as is often the case, by the weakest class of companies, they disarm suspicion, and too often take the place of a rigid and searching examination by officials charged with the duty of excluding the unworthy, and thus effectually securing the protection of the insured.

FOURTH. Such deposits are wrong in principle, and universally operate to the disadvantage of the insured in the end. Insurance capital should always be kept well in hand and invested, as it is most stringently required to be in this State, in first-class securities, available at all times for an emergency. With deposits in all the States, a company is hand-bound, and in the day of severe trial, will inevitably be crippled and embarrassed, if not ruined.

FIFTH. The effect of small deposits will not be to keep out of a State insurance sharks, while large deposits will drive all the smaller class of honest, well-managed, and sound companies from the State, because their capitals are not large enough to stand such a subdivision, even if they were unwise

enough to entertain the idea. The larger companies may, perhaps, remain, and if they do, the rates will surely go up in proportion to the size of the deposit. If they also retire, the State will be left to the tender mercies of local companies, wholly unable to meet the public demand for insurance—that is, real indemnity against fire. In either case, the result is *monopoly*, and those who dance will pay the fiddler.

The whole system is as fallacious in its practical working as it is pernicious in principle. Actual capital and good management are easily discernable, and the man who cannot protect himself against fraud and chicane in his insurance is hardly worthy the name of a man. There is scarcely a village or hamlet in the land where the fame of good companies is not heard, and he must be ignorant, indeed, who does not know the names of good companies, now as familiar as household words throughout the land. To this we may add the careful State supervision, now almost universal, which has done incalculable good in this direction, and will, we believe, do vastly more in the future; among, and foremost of which, will be the defeat of legislation, so detrimental to the interests of companies, and prejudicial to the welfare of the insured, whose security is measureably entrusted to their care and supervision.

Fire Insurance in Maryland in 1874.

We find in the Baltimore *Underwriter*, tables from the Insurance Commissioner's fourth annual report of the State of Maryland, showing the business and standing of Fire and Marine companies doing business in that State. We give below the business of 1874:

Name of Company.	Prem's Receiv'd.	Losses Paid.
Etna, Conn.....	\$34,445	\$23,924
Amazon, Ohio.....	5,035	1,195
American, Pa.....	11,037	11,698
American Central, Mo.....	4,173	827
Armenia, Pa. (a).....	1,181	602
Atlantic, N. Y. (a).....	4,712	4,498
Atlas, Conn.....	4,488	None.
Bangor, Maine.....	2,005	None.
Black River, N. Y. (a).....	3,241	None.
Boatman's, Pa.....	1,293	None.
Buffalo, N. Y.....	1,543	None.

Buffalo, German, N. Y.....	2,614	1,201
Citizens, Mo.....	3,013	2,700
Commerce, N. Y.....	3,111	43
Connecticut, Conn.....	4,504	None.
Continental, N. Y.....	10,030	1,233
Equitable, Tenn.....	1,707	2,957
Exchange, N. Y.....	4,430	17
Fairfield, Conn.....	1,490	None.
Faneuil Hall, Mass.....	836	None.
Farragut, N. Y.....	120	None.
Farmers', Pa.....	21,723	12,550
Firemans' Fund, Cal.....	2,366	None.
Fire Association, Pa. (a).....	29,413	15,152
Franklin, Pa.....	3,347	1,457
Franklin, Ind.....	1,042	None.
Franklin, W. Va.....	4,959	7,235
German American, N. Y.....	13,255	3,387
Germania, N. Y.....	5,716	7,848
Girard, Pa.....	2,335	004
Glen's Falls, N. Y.....	1,473	002
Globe, Ill.....	3,852	None.
Hanover, N. Y.....	20,377	7,155
Hartford St'm. B'r. & F'n., Conn...	8,105	600
Hoffman, N. Y. (a).....	4,034	3,49
Home, N. Y. (b).....	20,093	14,903
Home, Ohio.....	3,396	552
Hudson, N. J.....	2,269	None.
Humboldt, N. J.....	2,415	1,835
Insurance Co. of N. A. Pa.....	123,003	60,404
Lamar, N. Y. (a).....	4,110	None.
Lancaster, Pa.....	10,983	7,024
Lorillard, N. Y.....	2,130	2,304
Lynchburg and Banking Co., Va.,	14,505	15,031
Lycoming, Pa.....	22,679	21,947
Manhattan, N. Y.....	4,918	5,381
Mechanics, N. J.....	7,853	6,705
Merchants, N. J.....	763	None.
Merchants and Mechanics, Va.....	4,836	None.
Mercantile Mutual, N. Y.....	48,820	14,472
Meriden, Conn.....	7,911	3,079
Millville, N. J.....	7,915	1,564
Mississippi Valley, Tenn.....	1,870	None.
National, Conn.....	3,415	333
National, N. Y.....	2,449	None.
National, Pa.....	9,258	5,165
New Orleans, (F. & M.) La.....	2,520	None.
New York and Yonkers, N. Y.....	2,220	None.
Niagara, N. Y. (a).....	5,191	3,500
Old Dominion, Va.....	1,105	None.
Orient, Conn.....	8,975	4,590
Orient, N. Y.....	58,503	10,317
Pacific Mutual, N. Y.....	3,190	616
Penn, Pa.....	9,698	6,538
Pennsylvania, Pa.....	10,394	4,852
Peoples' Newark, N. J.....	5,641	3,411
Peoples', Trenton, N. J.....	5,888	3,421
Peoples', Memphis, Tenn.....	2,728	None.
Phenix, N. Y.....	22,353	1,828
Phoenix, Conn.....	9,009	13,244
Providence, Washington, R. I.....	676	None.
Republic, N. Y. (a).....	7,713	7,527
Ridgewood, N. Y.....	4 3	None.
Security, Conn.....	12,430	9,874

Springfield, Mass.....	4,755	2,229
Standard, N. J.....	866	None.
St. Josephs, Mo.....	2,181	2,328
St. Louis, Mo.....	744	None.
St. Nicholas, N. Y.....	4,133	1,069
Traders', Chicago.....	1,138	None.
United States Lloyds (b).....	59,446	No rpt.
Virginia, Va.....	5,282	6,647
Williamsburg, N. Y.....	3,102	3,035
Westchester, N. Y.....	5,598	8,854

Total Companies of other States.....\$740,764 \$303,789

Foreign Companies:

Commercial Union, London.....	\$9,080	\$4,595
Hamburg Bremen, Germany.....	7,146	11
Imperial, London.....	12,007	299
Lancashire, Manchester, (a).....	9,495	18
Liverpool, London and Globe.....	15,338	12,468
London Assurance, (a).....	7,557	500
North British & Mercantile, Lon-		
don, (a).....	8,800	None.
Queen, Liverpool.....	33,296	4,967
Royal, London, (b).....	37,330	25,102
Royal Canadian, Canada.....	9,183	630
Scottish Commercial, Glasgow.....	9,408	2,139

Totals of Foreign Companies..\$158,730 \$ 50,689

Aggregates.....\$899,414 \$354,488

a—Statement embraces only part of year.

b—License.

The cash premiums received by 17 Maryland companies in 1874, were \$800,983; losses paid, \$236,275.

Sacramento Record and Life Companies.

The Sacramento *Record* gets off more long-winded editorials than any daily paper of our acquaintance, many of which read very well, but we protest against the editor of that paper placing before the public such nonsense as appeared in the issue of February 15th, under the heading of "A Question of Insurance Policy," which is either a malicious attack on the Life Companies, or total ignorance on the part of the editor of that paper of the business of Life Insurance. But here is what the *Record* says:

"We wish to call attention to the fact that Eastern Insurance Companies heretofore doing business in California have put in practice a systematic method of encouraging policy-holders to allow their policies to lapse. The method adopted, and only insurance-men will be apt to appreciate how effectively it works, is—first, to omit the

customary notices of the dates when premiums fall due; and, second, to throw petty but vexatious obstacles in the way of receiving payments at all. The immemorial custom of giving notice of all maturing insurance premiums on policies of whatever description—fire and marine, as well as life—has encouraged a mental habit among business men in dealing with this subject, which is now successfully turned against them in encouraging the lapse of their policies through inadvertence. That this may happen without involving such a want of care as should impute blame, is illustrated by the practice of bankers who hold maturing notes. Experience has established the propriety of notifying the maker of a note before it falls due, and were there no real occasion for this, the practice would be a senseless one, and would be abandoned. Yet the degree of carelessness implied by overlooking the date of maturity of a promissory note is obviously greater than that of overlooking the date of maturity of an insurance premium.

“Next, as good risks are profitable to Insurance Companies, they are not eagerly surrendered; hence, if a policy covering such a risk shall lapse by inadvertence, the universal custom has been to allow its renewal—the subject submitting to re-examination to prove that the character of the risk has not been impaired. Upon both these points, the Eastern Life Insurance Companies have reversed the recognized custom and established policy of the business. Each policy that lapses involves forfeiture of premiums previously paid—a loss to the policy-holder which, if it have been brought about by practices designed to encourage his inadvertence, becomes a positive wrong; and this wrongfulness relates back to the practices and attaches to them the moral nature of fraud. But when the companies go further and throw actual—however petty—obstructions in the way of any payment at all of accruing premiums—the clear moral fraud of their conduct becomes obvious, and is rather heightened by their exemption from legal liability. California has been one of the most profitable fields of life insurance—

a fact that lends a color of indecency to the attitude of the companies that have shared in its proceeds.”

As to the duty and the established custom of all companies, Fire, Life and Marine, to extend that courtesy of notifying policy-holders of the date of payments, we admit and agree with the *Record* that this notice is more important in case of insurance than when a note falls due, but we emphatically deny that *any* company represented on this coast has ever “reversed the recognized custom;” but, on the contrary, take *special* pains to notify policy-holders when their payments are due, and, in many cases, extend other courtesies, such as taking due bills at thirty days and delivering the receipt of the company.

Of course this is not done as a rule, and only when the party asking the favor is considered responsible. We of course have reference to our Life Companies. We further say, without fear of contradiction, that the agents of our Life Companies use *every* effort to accommodate their customers in paying premiums, as many of the companies withdrew from the State last summer on account of the unwise legislation, and all except one—the Washington—have extended the courtesy of allowing the policy-holders to continue paying their premiums at the San Francisco office, and to our certain knowledge the agents send notices to all their policy-holders, the same as when the companies were doing business in the State, and the Washington sends notices direct from the home office, so that they are not inconvenienced except that they have to send their money to New York. We further say that it is not true that any of our companies represented on this Coast ever refuse to reinstate any policy-holder who asks the favor and pays the examination fee. As to the truth of our statements, we appeal to the policy-holders themselves.

—At the meeting of the Executive Committee of the National Board, in Philadelphia, the Atlas, of Hartford, the Humboldt and Germania, of Newark, were admitted to membership, and several applications were laid over until the next meeting.

New York Report.

Through the courtesy of Mr. O. W. Chapman, Insurance Commissioner of the State of New York, we have received Part I., Sixteenth Annual Report, Fire and Marine, for the year ending Dec. 31st, 1874. Mr. Chapman, as usual, in his introductory remarks, gives some wholesome suggestions in reference to the business of insurance. We take from the report the following condensed statements:

At the close of the year 1874, the Fire, Fire-marine and Marine insurance companies, doing business in this State, were possessed of \$160,133,455.70 of admitted assets,* an increase of \$19,436,934.20 over the sum reported the preceding year. The liabilities of these companies, excepting scrip and capital, aggregated \$54,860,204.12, which is \$2,452,634.13 more than was then returned. The year's income was \$86,854,168.69, and the expenditure, \$68,491,125.60; an increase of \$138,938.45 in income, and a decrease of \$10,580,677.99 in expenditure, as compared with the previous year. The whole number of companies reporting last December, was 223, being thirteen more than reported for 1873.

Table No. I, shows the amount and character of the assets, of the Fire and Fire-marine Insurance Companies of this country, doing business in New York, December, 1874. In gross, they amount to \$119,569,746.06. The joint-stock companies of this State, return \$55,985,676.01; stock companies of other States, \$60,702,636.46; New York mutuals, \$363,367.37, and other State mutuals, \$2,518,066.22. This table also indicates the companies, which unite with the Fire, a Marine business more or less extensive.

Table No. II, gives the liabilities of these companies. Excepting scrip and capital, they aggregate \$40,093,185.33. New York stock companies report \$14,920,259.20; other State stock companies, \$24,078,757.28; New York mutuals, \$258,122.62; other State

mutuals, \$836,046.23. The whole amount of scrip liabilities is \$1,836,341.02, and, of capital, \$53,052,190.

Table No. III, exhibits the nature and sources of income for the year, aggregating \$64,261,610.76. The excess of income over expenditures, is seen to be \$13,189,939.10, while twelve companies appear to have expended \$164,833.89 more than received.

Table No. IV, gives the expenditures, itemized and in gross, which amount to \$51,236,514.55.

Tables V, VI, VII, and VIII, give the standing and last year's business of the purely marine companies. No V, shows the total assets to be \$25,645,709.66, an excess of \$1,081,155.69 over the amount returned last year. No. VI, gives the liabilities as \$7,750,486.99, an excess of \$555,967.38 over the year preceding. No. VII, shows the income to be \$11,211,604.66, being \$437,185.55 less than that of the previous year, while No. VIII, gives the expenditures as \$9,714,743.19, being \$1,863,433.41 less than was paid out the year before. Marine insurance companies, show an excess of income over expenditures of \$1,496,861.47. None appears to have paid out more than received, an improvement in this respect, over the preceding year's showing.

The next three tables, give statistics relative to foreign insurance companies doing business in this State. No. IX, shows the so-called "capital" under the law of 1871, aggregating \$5,712,104.84. No X, gives the capital, assets, liabilities and surplus, of such companies, as reported from the several "Home" and United States "Branch" offices. No. XI, exhibits the corresponding returns of income and expenditures, with the excess of one over the other.

Table No. XII, exhibits the business done, by all the Fire, Fire-marine and Marine insurance companies, which made returns to this Department, with the net assets, premiums charged, ratios of net assets to risks in force, and ratio of premiums charged to risks written. From this table it appears, that 233 companies, possessed of \$153,231,611.97 of net assets at

* This does not include assets held abroad by foreign companies, or premium notes of mutual companies.

the close of the year, were covering \$6,313,-967,008 of risks, at an average of \$2.43 for every \$100 insured, and that during the year, on receipt of \$88,149,384.52 in gross premiums, they undertook to carry \$7,814,-355,864 of risks, at an average rate of \$1.13 for every \$100 insured.

Table No. XIII, shows the disposition of income. \$78,815,712.18 net, were received in premiums, while \$35,942,022.50 were paid for losses, \$22,489,962.22 for expenses, and \$10,059,140.88 for dividends. The average ratio, of gross expenditures to gross income, is 78.77; of losses paid to premiums received, 45.60; of expenses to gross income, 25.86; of dividends to gross income, 11.57.

Table No. XIV, gives the date of organization, and the percentage of surplus of impairment, in the case of joint-stock companies. The amount of surplus, held by all companies doing business in this State, was \$24,654,590.45, as against \$14,332,-695.37 last year, while the total impairment was \$17,484.46 as against \$378,006.30.

On the subject of moral hazard, Mr. Chapman says as follows: That many fires are purposely kindled or permitted, in order that the incendiaries may profit by the insurance, will not be denied. Nor will it be questioned that very many others originate in pure negligence, which, in a matter of this kind, is of hardly less turpitude than the crime.

These two elements of danger, so increase the average risk assumed by the companies, as to very materially increase the average premium paid by the insured. This "moral" hazard, as it has been styled, is variously estimated at from thirty to fifty per cent. of the whole. Even if the lowest estimate be correct, the honest insured are compelled to pay, by reason of the anticipated iniquity of the dishonest and negligent, very much more for protection, than would otherwise be required. Enough is known to make it certain that profitable arson and stupid carelessness are important factors in the problem; how high a premium will give at once a fair interest on investment and adequate security to policy-hold-

ers? But, they are factors which do not belong in that problem, and so far as possible they should be eliminated. The insured themselves can do this, but they never will, until they are made to see that it is for their interest to do it. Obviously, so long as arson or carelessness can be made lucrative, mere moralizing on the evils thereof, will be futile to prevent either. Nor will any law be sufficiently effective, which is only directed toward securing uninflamable buildings, well organized and equipped fire departments, or investigations as to the origin of fires and the punishment of offenders. All such laws will, indeed, tend to protection, but they do not quite reach the impulses which prompt the profitable use of the torch, or that stolid indifference which complacently fattens behind a full insurance. They do not seem, somehow, to apply the plaster quite close enough to the seat of the disease.

If a law could be devised which would certainly and absolutely make it for the interest of every insured person, to prevent fires *escaping from his premises to another's*, a long step would be taken in the required direction. Now, although it would not perhaps be possible or even desirable to apply such a law, to city and country alike, may it not be otherwise as to cities alone, in which no fire can ever occur, without threatening general destruction? The good conferred upon *many*, by a law which would tend to prevent careless or willful fires in *cities*, would counter-balance *much* injury received in consequence thereof by a *few*.

With this proposition kept constantly in mind, let the Legislature examine the following suggestion: Would it be wise to enact a law which shall provide that no person upon whose premises a fire originates, if such premises are in a city, shall recover more than one half of the value of his insurance, *provided*, any other contiguous building shall be burned by reason of such fire?

The thought is presented in this bald, unqualified form, in order to give the bare kernel, unobscured by any of the husks or chaff of necessary modifications. If, after

discussion, the idea shall seem to have merit, proper qualifications, exceptions and limitations will readily suggest themselves.

It is submitted, that this proposition should neither be adopted nor ignored without careful consideration, for, the evil sought to be remedied, is confessedly enormous—so alarmingly so, that various very radical measures have been proposed to alleviate or prevent it. On the one hand, it has been urged that all policies should be so framed, as to prohibit the recovery, in any instance, by the insured, of more than two-thirds or three-fourths of the value of the property consumed. On the other it has been insisted, that in case of loss, the company should be compelled to pay the full face of the policy, regardless of the value of the property destroyed. It is not proposed to discuss the merits or demerits of either of these plans, or of others which might be enumerated. They are only mentioned, as indicating how important is the question under consideration, and how grave is the evil which has prompted the presentment of such widely different plans to remedy it.

If the law proposed, after being properly modified, would materially tend to prevent sweeping conflagrations, it starts with very much in its favor. Every one knows that the great and ever-impending danger to companies and insured, is in those devastating fires, which, as at Boston and Chicago, carry down both alike into a common ruin. This danger exists, only in cities or the largest villages. A fire once under way in such localities, is always liable to become unmanageable. The only sure time to control it, is at the very outset. Recognizing this, the merit of the proposition, if it has any, is in its direct tendency to make each insured person in a city, careful and watchful over his own premises. Thus, every policy-holder would become a sort of special policeman, to properly watch over and protect his own property, and in default of so doing, a modicum of punishment falls upon him. At the same time it imposes no new duty. He is morally bound to do all this now. He has no right to sell his prop-

erty without delivery, to an insurance company, through the agency of some fortunate fire, nor, especially, has he any right to burn or endanger his more circumspect and vigilant neighbor, by his carelessness.

Is there no force in this line of thought? If every man who is meditating a fire for profit, could be made to feel that he would only obtain one-half of his insurance, provided any other person should be injured by that fire, it surely needs no argument to show, that thereby self-inflicted arson would be less attractive, and the chances of its being made gainful more difficult.

So, also, if every person owning insured property knew that in case a fire was allowed to escape from his premises to another's, he could only recover one-half of the value of his property insured, he would realize that he himself has an interest in being watchful, in personally supervising the method on which his building was constructed, whether its plan was adopted for its beauty or safety, and whether its heating apparatus has possibilities of danger. He would also be prompted to inquire whether tenants are prosperous and trustworthy, whether night watchmen can safely be dispensed with, and if so, whether the last man to leave the building at night, is careful, prudent and safe, whether inflammable materials are kept on the premises, and especially whether in case a fire should originate thereon, proper means for extinguishing it and proper protection against its spreading to another's property exist.

It will be observed that the object aimed at, is to make it for the interest of each insured person in a city, to see, (1) that no fire can originate on his premises, (2) if it does, that proper protection and proper appliances are ready to prevent its passing over upon another's territory.

And if such fire is allowed to spread to another's property, why, indeed, should not the party on whose premises it originated be partially punished for not having the proper safeguards against its starting, or the proper means ready for its speedy extinguishment? Why should he be allowed to permit a fire to pass from his own to a neighbor's build-

ings, when thereby, as in a city, it may gain a headway which will give it the mastery over any and every resource and energy that can then be appealed to? * * * *

It is true, that the man who, through carelessness or crime, permits or originates such a calamity, merits the most condign punishment; but practically the difficulty of detection renders penalties which depend upon detection, objects of slight dread to the guilty party. If, however, the owner could be made to feel that he would surely suffer loss should he permit a fire to start on his premises provided it passes to another's, the obvious tendency would be to induce greater care, the adoption of more safeguards and the exercise of better watchfulness, because punishment for neglect or crime would then be certain.

Insurance companies have an interest in this matter paramount to any other just now demanding their consideration. They are asked whether they can securely rely upon excellent fire departments, good building regulations or efficient fire patrols? Are all or any of these a sufficient protection against probabilities even? Does there not, after all precautions in a general way, more depend upon the care and watchfulness, the honesty and prudence, indeed, of the insured, than upon anything else?

Not the companies alone, but every individual policy-holder, whether in the city or country, has an affirmative interest in this question. His company, carrying its thousands of risks, by reason of some devastating city conflagration, is rendered bankrupt. The rich and the poor are alike sufferers, in losing a protection for which they have paid; and thus it happens always, that an honest company's failure becomes in very truth, a public disaster.

Others, still, have an interest in this question, who are entitled to consideration. That greed which kindles the fire, or that carelessness which permits it, or does not sufficiently guard against its spreading in thickly inhabited districts, injures not merely companies and insured, but also the uninsured. These are often, not the palatial residents of the wealthy landlords, but

the poor tenants of upper stories, the sewing girls, the needy artisans, perhaps the occupants of hovels or of little homes which hold all the present accumulations of a lifetime of honest toil. These are as much entitled to all the protection which the law can give, as are their richer neighbors.

The prudent, watchful and cautious, are especially interested in this question. Their chief danger always is, from the carelessness or willfulness of their neighbors. There are men, on whose premises no fire will ever gain the mastery. This is owing, some will say, to good luck, but it is believed that here, as in European cities, good luck, is but another name for care, judgment, vigilance and circumspection. One thing is certain, that persons possessed of these qualities are rarely burned out by any fire that starts upon their own premises.

Such a law once enacted, or some modification of it would soon effect a complete revolution in the method of constructing buildings in our cities and villages. It would give greater security in all future erections. Owners, architects and builders would be quick to learn that a structure so built that no fire can escape from it, is the cheapest, no matter what it costs. Who will undertake to estimate the amount of good that would be done, or of evil that would be warded off, in coming years, by some provision of law which would accomplish this?

That various objections can be raised to the plan proposed, and that, in some instances, it would work injustice, is at once conceded. In legislation, however, the practical question always is, will the law proposed, effectuate more good than harm? Every statute, critically examined, is somewhere inequitable, and represents only a choice between evils. The question for the legislator always is; on which side is the balance, now and ultimately?

If it be urged that this plan might work harshly in case of a purely accidental fire, it is promptly admitted. But let it be borne in mind that, in any event, only one man feels its harshness, and he is the one

on whose premises the fire originates—and not then even, unless he permits it to spread to the injury of his neighbor. And why, in view of the possible calamity caused by his wickedness or carelessness, may it not be advisable to provide, wherever such a widespread and irreparable injury is possible, that the person permitting it, shall suffer to a limited extent, for his crime or want of caution?

Just so many exceptions should be embodied in the law, to be sure, as could be, provided they do not lessen its efficiency, for a fire against which no prudence can guard, is possible. But it is believed that such fires are extremely rare. Rarer still, are those, which cannot with proper care, watchfulness and precaution, be kept within the walls of the building in which they originate.

It is not overlooked, that the landlord may have careless or wicked tenants; but what right has he to harbor such to the danger of his neighbor? And if he does, even unwittingly, why should he not be required to so fortify his building as to protect, not simply adjoining property, but the whole surrounding locality, from the negligence or viciousness of such tenants? It is believed that if the owner of every building in any city could once know, that he would in no event, recover more than half of his insurance, provided a fire was permitted to pass from his premises to another's he would find some means or method by which such a catastrophe would be made impossible.

Let the question be asked right here;—is there a building in New York city, now insured by any respectable underwriter, no matter how many tenants there may be in it, which cannot, and that too, without any extravagant outlay, be (1) so watched and guarded as to prevent a fire originating; or (2) if one starts which cannot be furnished with sufficient appliances for extinguishing it at once; or (3) which cannot be so shielded and protected as to be secure against any fire escaping from it to another's property?

A single question is finally submitted: Would the adoption of such a law as has been suggested, with proper modifications,

exceptions and limitations, be productive of more good than evil in the aggregate? This the Superintendent does not undertake to decide. It is presented for consideration only, and addresses itself to the wisdom and intelligence of the Legislature. Some of the arguments in favor thereof have been alluded to. Further reflection will perhaps awaken others against it. Discussion will develop advantages and disadvantages unthought of. No harm can possibly come from the suggestion merely. One thing is certain, the insured everywhere, and the uninsured within cities, need a protection not yet secured to them. Can they have it under this proposition? If they cannot, what is the plan that will furnish it?

On the dividend question, the Commissioner says: The attention of officers and stockholders is here called to the danger of declaring dividends contrary to law. It is an evil experiment which can never be tried in safety. It is liable to be detected. A single instance of violation in this particular renders a company's charter liable to forfeiture. This penalty, any Superintendent would very much dislike to inflict, but if stockholders will continue to insist upon an accustomed dividend, upon them will rest the responsibility.

Even when the extreme punishment is not inflicted, the stockholder gains nothing, absolutely nothing but the temporary use of that to which he is not yet entitled. Although the expected dividend may come at an opportune time, an assessment caused thereby may, and probably will, come at a time extremely inopportune. Even, however, if this should chance to be otherwise, common honesty, saying nothing of prudence, prompts so much delay as will enable him to receive it without a violation of law.

Other things being equal, a company's strength, and consequent safety lies in its net surplus. Conservative management therefore, dictates the proper accumulation of such surplus. This accumulation rests largely with the officers of companies. Instead of rating up assets to the highest possible figure, in order to meet an accustomed divi-

dend, they should occasionally be rated down. In the hour of prosperity, a judicious shrinkage of values to a conservative basis, upon which they must surely stand, when the hour of trial comes, may furnish sufficient buoyancy to tide them over some coming calamity.

Portland Correspondence.

PORTLAND, OREGON, Feb. 23, 1875.

Editor COAST REVIEW:

Perhaps a few crude ideas from the far off regions and wilds of Oregon would be read with interest by a few of your many patrons. Oregon, in an agricultural point of view, with its many rural valleys, superior fruit-growing climate and inexhaustible mineral resources, is destined, some day, to be second to no State in the Union. Oregon, to-day, is governed and controlled by a few capitalists, an organized band of moneyed individuals who send men to represent the State in their interest alone, men who will oppose all subsidies, and all bills relative to direct communication with the Eastern States, to all measures that might prove detrimental to the O. S. N. Co. interest, and last but not least, we have California and the C. P. as auxiliaries interested in the defeat of all measures that has a tendency to direct access to Oregon. California to-day, holds the key to this State, everything and everybody that comes here has to pass through California, hence the inevitable result, a few penniless steerage passengers reach our State. For several reasons times are duller, money flatter and a general depression in business more apparent this season, than for many years past, we have had and are having one of those unusually long hard and cold winters, and again, the price of wheat—our staple article of commerce—has only ranged from fifty to eighty cents per bushel, leaving no margin, whatever for the farmer. These are only two among many reasons that could be attributed, but these alone are sufficient to retard the business, and cause a flatness in money matters of any community. Let us pray that Oregon may be revolutionized, which, I am afraid, will never

be until we have a change of population, however M. P. Morse, in his own estimation, seems to think that he is the "chap" that can do it with his "Heads I win, tails you lose," but as yet I have not seen many that are very strong in the belief, a few of his agents are doing a little business by making their victims believe that for \$6 they are insured for \$1,000.

By the way, I noticed an article in the February number of the COAST REVIEW, headed "Medical Supervision," in which I certainly think the principles involved are very rotten. It is impregnated with too much variation for any practical use. It is too big and bitter a dose for any experienced insurance man, one who has learned the profession by actual practice, and not simply obtained a geological theory of the different idiosyncracies and ailments of the human frame. He goes on to give examples such as should be adopted by Insurance Companies. Now, if Mr. Morris, M. D., would come to Oregon, and try and put his lucubrations to the cause of soliciting life insurance awhile, he would soon learn that, not in the whole State of Oregon, could he find one solitary person who could go half that far back and give any account of his ancestral record. Imagine, for a moment, an agent approaching a Web-foot, and asking him for his genealogy from the days of Adam. Behold that blank expression! Why, he would look as though he was wet clear through to the skin and been fed on sawdust and molasses for six months. But few could give you any satisfaction as regards their ancestral record, and it is questionable with me, whether the honorable gentleman could tell his origin without referring to Darwin.

And again the people of Oregon are but little wiser, regarding their genealogy than they would be if they were a cross between a custom-house officer and a basswood tree, as basswood trees are very numerous in some parts of the country. And as regards his ideas of that portion of the applications pertaining to the ailments, etc., etc., of men, how is he going to ascertain this, send some professional pill-peddler on an analytical tour through his vital regions with a

lantern, tap from the bottom cells of his heart some of the ancestral blood, have it analyzed, and see if there cannot be found somewhere, though far back in the dark ages of parental existence, the minutest drop of polluted blood, that might have existed in the veins of some forty-second cousin, by marriage, that perhaps caused a corn upon the back of his or her neck, that had a tendency to shorten their natural existence, and again he says, "The complete study of an individual's viability, or probable length of life requires a further consideration. Whether he has really inherited those constitutional characteristics inferable from his ancestry; whether, if possible naturally, they have been continued, and whether they probably will be continued in him or not," and if so, how much, aint it? Does he expect any company will send a skillful physician or agent, to camp for years with him to ascertain his innate principles, habits of life, private and public, etc., etc. The gentleman's ideas of Medical Supervision are simply absurd.

Yours, Spontaneously,

TOODLES.

Hartford Water Works and Insurance Companies.

From the Hartford correspondence in the February number of the *Insurance Monitor*, we extract the following items in reference to the Water Works and Fire Companies of that city:

"It was more than ten years ago, when our city was rent asunder over the question of 'pumping' or 'gravitation'—whether we should continue to pump water from Connecticut River, as we had for ten or twelve years, or substitute the water from 'Trout Brook,' on Talcott Mountain, in West Hartford, five miles off. I remember, in the hot discussions of those days, the *Times*, advocating the 'run down hill' project, said something like this: 'Give us the West Hartford water, and in three months time, at a cost of about \$80,000, we will have a never failing supply of pure water,' As the Democratic voters in want of a job

outnumbered the large tax-payers, that sort of plausible talk carried the day, and the city voted to have 'down-hill' water. So, in three years time, instead of three months, and at a cost of some \$300,000, instead of \$80,000, we began to use the West Hartford water.

"It was a 'job' to begin with, and it is a 'job' to this day—not exactly a "ring" operation, but an everlasting expense without a corresponding benefit. We have 58 miles of pipe, and reservoirs covering 81 acres, with a capacity of nearly 400,000,000 gallons, all at a cost of over \$1,000,000. A new five-mile main is just laid at a great cost, and another storage reservoir in West Hartford is proposed. It is all very fine, but there is one radical defect—*there is scarcely any water*. We are to-day on short allowance, and at the mercy of any great fire. The pumping engines (the old ones) run night and day, supplying water from the river, and the West Hartford reservoirs are nearly empty, and will be till the rains set in. The old engines, rejected twelve years ago, are almost our sole reliance, in this blessed month of January, 1875. Connecticut River has not failed, and the water is better than surface drainage collected in reservoirs, and the city owes a million for this 'down hill' operation, not including the new main. With the aid of our excellent fire department, and with a care not to drink too much cold water, we hope to pull through safely.

"The owners of fire stocks feel happier than they used to, and the Companies are in stronger condition than ever before. Losses have been light for several months past, and the Companies have added to their accumulations. On the first of January, they all paid dividends, as follows: The *Aetna*, six per cent. quarterly; the *Hartford*, ten, semi-annual; the *Phoenix*, five regular and five extra, quarterly; the *National*, six; the *Orient*, three, quarterly, and a scrip dividend of fourteen and two-seventh per cent., capitalizing \$50,000 of their surplus, and increasing the capital from \$350,000 to \$400,000; the *Connecticut*, six regular and three extra; the *Atlas*, six per cent. Let me tab-

ulate, giving *net* assets of each company, January 1st :

Name.	Capital.	Divi- dend.	Amount.	Net Assets.
Ætna Fire	\$3,000,000	6 pr. ct.	\$180,000	\$6,232,159 88
Hartford	1,000,000	10 "	100,000	2,588,172 24
Phoenix	600,000	10 "	60,000	2,753,901 03
National	500,000	6 "	30,000	915,238 80
Orient	350,000	3 "	10,500	511,255 84
Connecticut	500,000	9 "	45,000	890,504 58
Atlas	200,000	6 "	12,000	463,104 90
	\$6,150,000		\$637,500	\$13,344,487 27

"Among other companies, the Travelers paid its semi-annual dividend of six per cent. to stockholders, and capitalized \$100,000 of its surplus, increasing the paid-up capital from \$500,000 to \$600,000. The Railway Passengers divided five per cent., the Hartford Life and Annuity five per cent., and the Steam Boiler Company, five per cent.

"The Connecticut Fire had engaged new office-rooms in the Phoenix building, were soon to vacate the old office they had occupied from time immemorial, and on the morning of December 30 an advertisement appeared, offering the old desks and office furniture for sale. But it so happened that morning, at about the time the paper was issued, that the Connecticut office was cleaned out by fire, destroying desks, furniture, and—worst of all—valuable books and papers. Apart from the books and papers, the property loss was not great, covered by insurance in the *Conn. Fire*. There was some joking of President Bennett by the sharp adjusters, over that morning's advertisement and the sudden disposal of said furniture. There is a little story connected with this incident, of which 'Per Simmons' will doubtless see the point. Said Bassett, of the *Ætna*: 'The *Ætna* has carried that building

for twenty years, till *last* year some other company got it away.' It turned out that it was now insured in the *Connecticut Fire*."

Hints To Agents.

In the January number of the *Insurance Monitor* of New York we find an article with the above heading, signed "OLD ONE," and as it has so much truth in it, we feel justified in giving it room in our columns, assuring our many agents on this Coast that they will profit by the advice, and should immediately order two or three insurance journals, and keep posted on the business in which they are engaged.

"OLD ONE" says :

The writer commenced in insurance, some years ago, as a solicitor for a life company, and, without any one to assist or instruct him, had everything to learn, and all in that most tedious of schools—experience. The lessons, however, were thorough and may, perhaps, be of some practical benefit to others. One of the discoveries made was, that insurance is a science to be studied. That it has a literature to be read and comprehended. That the many volumes and journals published upon the subject all contain valuable suggestions, useful information, pertinent arguments, and needed weapons. That he who would succeed to any rank in the profession cannot afford to be without all of these helps that he can obtain. Many times a single paragraph will convey information more valuable than ten times the cost of the book or periodical in which it is printed.

I would urge upon all who are endeavoring to work their way up in our noble profession, to make it a *study*. Do not be satisfied with a superficial knowledge of what is barely necessary to enable you to do the drudgery of the business, but go deeper; make it a study. You can not learn too much nor be too thorough. Do not be satisfied with your ability simply to talk flippantly and in a general way upon the subject, but master the details and solve the abstruse questions. The public, who are your patrons, and who entrust you with their

business, have a right to expect and demand that you have the ability and intelligence to protect their interests. Perhaps there is no business which is so freely and fully placed in the hands of an agent as that of insurance. How necessary, then, that he should be able to execute the trust. This is not all. The first places, those of responsibility, demand educated and skilled talent. For the lack of this, in men occupying prominent positions, many a miserable failure has been the result. There is no such thing as luck in this business, but it is based upon fixed rules and scientific principles, and he who ventures to assume its responsibilities without possessing a knowledge of its science, will make a shipwreck of his venture and which is not unfrequently attributed to misfortune. The best men, who possess infinite advantages over the weaker, discover every day unexplored veins of knowledge and are the most thorough students. No excuse can be found for those who refuse or neglect the opportunities which are presented to them. Make it a rule never to allow a day to pass in which you do not devote some time to study or thought of principles upon which your business is based. At the outset begin by reading; it will very soon become a pleasure to you and you will never discontinue it. I can not better conclude than by quoting from Walford's invaluable *Cyclopædia*: "With agents of insurance associations the proverb that 'knowledge is power' applies with peculiar force. The man who knows most of the theory and practice of the particular branch of insurance which he is engaged in advocating, should, all other things being equal, be the most valuable agent to the particular company. In addition to a general knowledge of the business, the agent requires to know not only every point concerning his own office, but also a great deal concerning others; by these means only will he be able to make way in these days of increasing competition."

—The Commercial and State Investment Insurance Companies, of this city, have declared their usual monthly dividend of 1½ per cent.

The New York Local Board.

The following review of the insurance situation in New York, from the *New York Chronicle*, (Insurance) of February 18th, may be read with profit in San Francisco.

The telegraph recently advised that the differences in the local Board, of that city, had been harmonized.

From the telegraphic publicity which had been given to this local emeute, the impression has gone out that the National Board of Fire Underwriters were involved, such we are assured is not the case, but on the contrary, the efforts of that organization were directed toward harmonizing the conflicting interests and with success. The *Chronicle* says:

There is little further to be said in regard to the unfortunate muddle in the New York local board. One or two more companies have withdrawn, but what will be the ultimate result it is hard to tell. The more sanguine members are hopeful, others are despondent. Accusations of punic faith are freely bandied, and, on the whole, there is an air of childishness about the members which is sickening, and which compels us to ask, as we may be sure the public will ask, what are the objects of the board, what its use, and have its members any knowledge of their business, or any honesty in conducting it?

The objects of the board, briefly stated, are to *secure adequate and uniform rates for insurance, to aid in securing a better class of buildings, and more security from fires, and by mutual counsel and co-operation in various ways place the business of fire insurance on a solid and enduring foundation, whose corner stone is knowledge.*

Can any of these objects be attained better by each company working apart from its fellows? How are any rates to be maintained by the companies, except through an organization like the board? Companies leave the board because they say others are cutting rates. The inference is irresistible that they leave because they also want to write at lower rates, and prefer to do so untrammelled by any obligation not to do it.

And this being the case, the next most natural question is, what are adequate rates, and why have board companies been for several years charging more than adequate rates? There can be but two answers to this, and either one of them is a confession. Either these companies, underwriting now for nearly a score of years, do not know what adequate rates are, or their honesty is not to be trusted by the mercantile community among which they are doing business.

There is one further plea that may be introduced, but it is one no underwriter will probably venture on, and that is, *that they must have business anyhow*, whether the rates are high enough or not, and they will *trust to the luck* they hope for to see them safe through.

And this, we think, will be found to be a true solution of the question. Relying upon an *exceptionally good year*, in New York city, the local companies are, some of them, *ready to trust to luck* for a repetition.

There is one indication that this is the explanation, to be found in the fact that, exceptional as the year has been, the 102 joint-stock companies of New York have divided to their stockholders less than 12½ per cent., while it is a fact that rates have been going down for the past nine months constantly.

True, the New York companies have added greatly to their surplus, and so they ought. If the history of this country teaches any lesson, it is that *invested capital, in all forms, is liable to sudden fluctuations*, and that this is *especially true of insurance capital*. *No sensible man objects to paying rates of insurance which will go to making companies stronger.*

Besides, *the year 1874 has been a memorable one in the business for its success*. Past calamities had taught some share of caution, and adequate rates had made this caution serviceable in increasing surplus. Already the year 1875 gives us reason to think more highly of its predecessor. While, as we said, rates, under the schedule, are gradually going down, fires are becoming alarmingly frequent, and we shall be very much surprised if 1875 sees much addition to the

surplus with which companies began the year.

It seems, therefore, the *blindest folly to break up an organization which has brought companies out of the slough of despond* in which they were all plunged by the great fires of 1871 and 1872.

Commissioner Foard's Report.

We are in receipt of Commissioner Foard's preliminary report for the year ending December 31st, 1874. Aside from the annual reports of the home companies and the tabular statistics of the local business of all companies represented in this State for 1874, all of which we have given in our February issue, there is but little of interest to note. It is only remarkable for its vindictiveness and its lack of tone and dignity. A public officer, one who is appointed by the Executive of a State or Government to exercise the functions of a public office, is generally presumed to be a man of character, intelligence and probity; one who will labor zealously to perform the duties devolving upon him in an impartial and upright manner, and who will not stoop to gratify petty spite or personal animosity. He is supposed to be above ordinary men, and devoid of prejudice and indifferent to criticism and opposition. If Gov. Booth believed Mr. Foard possessed these requisite qualifications, when he appointed him Insurance Commissioner, he was greatly mistaken. If there was no other evidence but this last puerile production to prove his unfitness for the position he occupies, he must stand convicted before the public. The whole of his introductory remarks are devoted to the task of trying to prove the necessity of the obnoxious laws passed, at his instigation by the last Legislature of this State to regulate the business of life insurance within her borders. In his futile efforts to do so, he has made up a case, which, like himself, presents a fair exterior, but inwardly it contains nothing of merit or argument. His figures are perverted, his deductions fallacious and his reasoning unsound and malicious. His as-

sumptions are so false and his motives so bad that they must be apparent to even the casual observer, and to undertake to show them up more distinctly would look like an effort on our part to impeach the intelligence of our readers, who may have been led by curiosity, for no other motive would prompt them, to peruse his remarkable document.

The fire companies are almost entirely ignored by him, and in his haste to warm up the life companies, he went through the roll call in double quick, forgetting to allude to the character of their business in any manner or offer them any advice whatever, a thing which he was never known to neglect before. But what he has omitted in this particular, he has more than made up with the other branch of the business in slurs and direct assaults.

But we think the last page of his vindictive diatribe must have been written by him after a careful perusal of the former ones, for he seems to have realized the fact that he signally failed to make out a case against the companies, and that his strictures will prove harmless to them, for he turns to the Governor, in the multitude of his wisdom and tells that functionary that "if we cannot obtain insurance at rates of cost within the means of those really requiring it,"—a question which he no where else adverts to— "and upon terms offering better security to the policy holder,"—the question of security not having been before brought up or disputed—"we are better without life insurance." This is good, considering the fact, that it is addressed to one who, like himself, is a bachelor, and who should be able to "feather his nest" from the public crib, but it will hardly sound so well to those who have families and who are not fortunate enough to be appointed to some sinecure position as he has been.

But as a specimen brick of the tenor of his argument, and the dignity that characterizes his remarks, we present the following from the close of his report :

"From the tenor of a communication addressed to this office, by the Washington Life Insurance Company of New York, under date of September 17th, 1874, and

extensively advertised in Eastern journals, that Company at least, would seem to have been impressed with the belief that by its withdrawal from California, the pay of the Insurance Commissioner would be reduced in the amount of fees to be paid by it.

"For the special information of parties interested, I beg your Excellency's indulgence, to say the State of California, appreciating the value of independence in her Commissioner, makes provision for his compensation directly from her Treasury—and without the slightest reference to fees to be paid by the Washington, or any other Company—all fees collected in this office being paid over to the State Treasurer at the end of each and every month."

President Crocker.

We are sorry to learn that Hon. Henry Crocker, President of the Union Mutual Life Insurance Company, is compelled to resign his position on account of failing health. Mr. Crocker has been connected with the company since 1849, and to his untiring energy and ability may be attributed a large portion of the success of this old and reliable corporation. Always at his post, courteous and genial to all with whom he came in contact, looking carefully after the interests and wants of his agents, and in fact did everything that one man could do to promote the interests of the company.

The following, from the Boston *Daily Advertiser*, shows the standing of the retiring President among the Directors of the company, and we hope that Mr. Washburn will fill the president's chair with equal ability. The *Advertiser* says :

"The Hon. Henry Crocker has resigned the office of president of the Union Mutual Life Insurance Company. Mr. Crocker has been connected officially with this company since its organization in 1849, and its president since 1861. He retires now on account of his advanced age, his health and strength no longer permitting him to bear the burdens of the office. During his presidency the institution has risen to a deservedly high position as one of the safest and best man-

aged life insurance companies in this country. In accepting his resignation, the directors passed resolutions expressive of their high esteem for Mr. Crocker, and the ability and fidelity with which he had discharged the duties of his office. He will still continue with the institution as a director, and give to it the aid of his ripe experience in life assurance.

"At a meeting of the directors of the company, held yesterday, the Hon. Henry S. Washburn was unanimously chosen president, Daniel Sharp, Esq., long the vice-president, declining to be a candidate for the position. Mr. Washburn has been a director of the company for several years. He is well known in this community, has held many positions of trust and honor, both public and private, and will bring to the discharge of his new duties much energy and ability. Assisted by a board of directors composed of some of the best business men in this city, the Union Mutual will continue to command the confidence and respect of the public."

Underwriters' Fire Patrol of San Francisco.

The subject of establishing a Fire Patrol in San Francisco, has been discussed by our underwriters at different times, but the lack of concerted action on the part of the insurance men, has prevented the organization of this department, until within the last few days, when, we are glad to know, the underwriters of San Francisco turned out en masse, and without a dissenting voice completed the organization of the Underwriters' Fire Patrol of San Francisco, elected officers, appointed committees, etc., etc., and as we go to press with our last form, it is safe to say the San Francisco Fire Patrol is a fixed fact. The experience of the Eastern cities has demonstrated beyond doubt that this organization is a saving to the insurance companies and citizens millions of dollars annually. It is hardly necessary to state that the objects of this Patrol are to save life and property, cover, and remove goods, sweep out water from the floors, dry furniture, and in fact do

every thing to prevent the damage of goods by fire or water, and to work in concert with the Fire Department.

It is perhaps proper to state that Mr. E. D. Farnsworth, of this city, has been East during the past two months, where he examined carefully the workings of these organizations in New York, Boston, St. Louis and Chicago, and to his favorable report to the underwriters of this city, and his energy in moving in this matter, may be attributed the speedy organization of the Patrol in San Francisco.

On Monday, March the 1st, the matter was discussed at a special meeting of the Board of Underwriters, and on the following day a meeting of the underwriters of the city was called—Board and non-Board—and the organization was completed by the election of the following officers and committee: President, E. D. Farnsworth; secretary, Charles R. Story; treasurer, Charles A. Laton. The executive committee are: D. J. Staples, E. D. Farnsworth, Chas. R. Story, Chas. A. Laton, Wm. N. Omstead, Geo. T. Bohen and Thos. C. Grant.

From this committee sub-committees have been appointed to look out a location for headquarters, purchase wagon, covers, etc. The company will organize with a captain, lieutenant, five cover men, and one driver.

Any comments from us on the subject of the advantages derived from these Patrols, are unnecessary, as the experience of our Eastern cities demonstrate the fact that they are not only an advantage, but an *absolute necessity*, and we hope that our underwriters will not relax their energies until the San Francisco Fire Patrol is completely organized and equipped.

Since writing the above, we learn that the Committee on Supplies have ordered, through Messrs. Skeels & Boughton, of New York, a complete outfit, and will also mention in this connection that if any of our readers have any good "Hosses" for sale, they will confer a favor by presenting them in front of 310 California Street, where Tom Grant, the Committee on "Hosses," will have them "surveyed" and "rated."

San Francisco Fire Marshal's Report for February, 1875.

CAUSE OF FIRES AND ALARMS.

	1875	1874
Actual Fires.....	10	10
Chimnies.....	0	2
Bonfires.....	1	
Attempts.....	1	
Total.....	12	12

BUILDINGS BURNED.

1 story frame.....	3	1
2 " ".....	4	6
2 " brick.....	1	1
3 " ".....	1	1
4 " ".....	0	2
Total.....	9	11

PROPORTION OF BUILDINGS BURNED.

Considerably damaged.....	2	6
Slightly damaged.....	7	5
Fires confined to one building.....	5	5
Fires and no damage to building.....	2	3
Largest loss at any one fire.....	\$5,000	\$12,275
	1875.	1874.
Highest number of buildings burned at any one fire.....	2	4

	1875.	1874.
Estimated loss.....	\$10,892.90	\$21,743.59
Insurance.....	\$70,600.00	\$43,650.00
	1875.	1874.
Loss on buildings.....	\$ 9,039.90	\$ 5,763.59
Loss on stock, furniture, etc...	1,853.00	15,980.00
Insurance on buildings.....	39,000.00	21,200.00
Insurance on stock, furniture, etc.....	31,600.00	22,450.00

CAUSE OF FIRES.

	1875.
Ashes.....	2
Carelessness with candle.....	1
Children with matches.....	2
Defective chimnies.....	1
" flues.....	1
" furnace.....	1
Sparks from chimnies.....	1
Spontaneous combustion.....	2
Total.....	11

BUILDINGS BURNED.—HOW OCCUPIED.

	1875.
Asylum.....	1
Dwellings.....	3
Dwelling and drug store.....	1
Lodging houses.....	1
Match factory.....	1
Moulding shop.....	1
Stables.....	1
Total.....	9

JOHN L. DURKEE,

Fire Marshal.

State Legislation and Insurance.

From an editorial in the New York *Tribune*, we clip the following sensible remarks on the subject of insurance legislation:

"Adverse legislation, threatened or actual, varying in the different States of the Union, has been for many years the bane of life insurance interests. In our own State the winter crop of bills to 'regulate' the business of the companies, has long been almost as certain of recurrence as the season and the sessions of the Legislature. The great majority, like hand-organ music, were ground out with the hope that somebody would pay to get rid of them. It was a continual expense to the companies to keep these ingenious projects from becoming laws. Insurance money was never quite so plenty at Albany as Pacific Mail funds at Washington; the air was not 'thick with it,' and little of it probably went to legislators; but contributions from this source had certainly come to be looked upon by 'strikers' and the lobby, as part of their regular income.

"One of the chief objects proposed by the Life Insurance Chamber is to bring the combined influence of the companies to bear against hostile legislation. In many States acts have been passed which seriously abridge their prosperity. These laws in general make a distinction between the companies of the particular State and those of other States, to the disadvantage of the latter. Such distinctions are obviously contrary to the spirit of our national institutions, but they have occasionally been carried so far as to make the business almost impracticable; as, for instance, in the case of California, where the restrictions are such that now scarcely any of the Eastern companies are willing to issue policies there. In several States a tax is imposed upon insurances granted by corporations in other States; or, what amounts to the same thing, a tax is laid on the premiums which go to make up the insurance. Pennsylvania, Michigan, Ohio, and Rhode Island impose such exactions. How long would a law stand on the statute-books of Pennsylvania which stated

in so many words, 'widows and young orphans are hereby taxed three per cent. more than any other class of citizens on all their property?' Yet this is really what a law of that State amounts to. But the worst result of such a tax is not in what it takes. It inflicts an injury on the whole community. It checks the tendency to insurance, and thus prevents the kindly prudence of men who are willing to guard their families against probable want."

Life Chart of 1875.

We give below the number of new policies issued in 1874, and of the total assets January 1st, 1875, of thirty-nine Life Insurance Companies, as follows:

	Policies issued in	Total Assets, January 1,
	1875.	1875.
Ætna, Hartford.....	9,716	\$20,657,604
American, Philadelphia.....	1,668	3,432,977
American Popular, N. Y.	660	.....
Atlantic.....	1,061	2,270,844
Brooklyn, New York.....	1,061	2,300,000
Chicago, Chicago.....	997	1,395,713
Connecticut General, Hartford.....	814	1,803,789
Continental.....	6,300	6,555,828
Equitable Life Assur- ance Society.....	9,610	34,189,815
Germania.....	2,453	6,640,004
Globe Mutual.....	2,611	4,180,076
Hartford Life.....	229	842,940
Home.....	1,089	4,114,155
Homœopathic Mutual...	901	604,118
John Hancock.....	726	2,760,284
Knickerbocker.....	1,704	6,232,070
Manhattan.....	1,778	9,690,750
Massachusetts Mutual	1,703	5,607,081
Merchants, New York	875	1,522,419
Metropolitan.....	8,280	2,017,422
Mutual.....	12,756	72,446,970
National.....	714	1,723,166
New England Mutual	1,956	13,541,548
New York.....	7,254	27,348,667
New Jersey Mutual...	4,309	1,659,329
North Western Mutual	4,858	15,527,532
Penn Mutual.....	1,203	4,875,563
Provident Life and Trust.....	1,295	2,587,061
Security.....	2,866	3,570,539
State Mutual.....	476	1,748,517
Teutonia, Chicago.....	1,420	1,183,001
Travelers, Hartford....	2,738	5,031,763
United States.....	2,598	4,442,637
Union Central.....	3,019	1,114,182
Union Mutual.....	6,132	8,874,858

Washington, New.....		
York.....	1,768	3,936,740
Western New York,		
Batavia.....	538	377,216

The New York "World" on the Local Board.

The New York *World*, of February 21st, has the following editorial on the insurance situation in that city:

"We congratulate the members of the New York Board of Fire Underwriters and all property-owners in the city upon the settlement of the difficulties which have engaged the attention of the board and caused much anxiety to underwriters and policy-holders during the last two or three weeks. And the manner of settlement, as will be seen by the report in our news columns this morning, indicates the wisdom of the members of the board and their disposition to deal justly with their customers. This is the action for which we have hoped, and which our readers will remember we have urged, believing that it would best serve the interests of the public and the companies, those interests being identical."

We quote the following from the report of the special committee, referred to:

The special committee, to which was referred the subject of the recent dissensions in the New York Board of Fire Underwriters, reported the following suggestions, and the board immediately adopted them:

First.—The maintenance of such an organization as the New York Board of Fire Underwriters, in effectiveness and with use to its members, can only be had when good faith exists on the part of members to each other, and that any departure from such honorable pledges as are required by its constitution and by-laws cannot but result disastrously to the whole business.

Second.—That we recommend the board to affirm its conviction that the maintenance of the system of schedule rating is indispensable to equitable charges for insuring, and is for the best interests of the property-holders and merchants of this city. The effect of such maintenance will be to diminish greatly the liability of this city to such large con-

flagrations as have visited many cities in this country within the past forty years. The removal of mansard roofs and the many hundreds of minor improvements in buildings produced by this system within the time it has been in force demonstrate the truth of this statement. The improvements so far made are not sufficiently extensive to justify any decided modification of the rates of premiums established in 1873 and since reduced by the improvements in buildings in 1874, whilst the losses of the past year being but one-third of the average of annual losses during the past ten years cannot be regarded as a proper criterion by which to estimate the losses of the coming years. Any such unwise competition for business as that which prevailed prior to the establishment of the schedule tariff may be expected to lead to the results then exhibited of companies without any great losses by single fires being depleted of their surplus and even invading their capitals, and in this weak condition in many cases assuming risks in exposed districts to such an unwarranted extent as to make their policies valueless for loss by any but a very limited conflagration.

Piedmont and Arlington Life Insurance Co.

During the four years succeeding the unpleasantness between the North and South, the United States were flooded with new life insurance companies, each one claiming the patronage of the American citizens, on the ground of the peculiar advantages it possessed over other companies. Company after company was organized, swung their ten by twenty signs in front of many a granite building, on which was painted in gold, the name of the company, with the further announcement that it was "purely mutual," or had "\$200,000 cash capital," or "all policies registered." A few years have passed, during which time nearly all these great benefactors, (we mean the companies organized since 1866) have "passed in their checks"—some of them, however, were not honored—and the field is now open to

the older and more economically managed institutions. Among the companies organized during the years 1866, 1867 and 1868, that remain in the field, is the Piedmont and Arlington, of Richmond Va. This company commenced business in 1868, and under the supervision of its energetic President, W. C. Carrington, and D. J. Hartsook, its efficient Secretary, the P. and A. moved steadily upward and onward, until now it ranks among the leading companies of the country. When other companies of the same age were competing for new business to the tune of sixty or seventy per cent. of the premium receipts, this company was doing a healthy and prosperous business at an expense of from seventeen to twenty per cent. of premiums received.

The St. Louis Life Insurance Co.

The following letter from the secretary of the above company, appears in the *Chicago Times*, which will explain itself:

[To the Editor.]

ST. LOUIS, Feb. 5.—In the *Chicago Times* of the 26 ult., there appeared a special telegram headed, "Missouri—The Insurance Lobby," in which certain statements were made regarding this company, which we deemed it unnecessary at the time to correct; but inasmuch as the article in question has been extensively copied into other papers, we desire to ask a correction as prominent as the original article.

The facts in the case are as follows: On the 12th of December last this company requested the insurance superintendent of New York to unite with the insurance superintendents of Michigan and Kentucky in an examination of the company's condition, as it should be found Dec. 31 last, preparatory to the admission of the company to those States. To this invitation Mr. Chapman, the insurance superintendent of New York, replied that the duties of his office would not permit him to leave at that season of the year, and, therefore, he must decline the invitation. The company again wrote him asking if he would accept a certificate of those officials who did make the proposed

examination, to which he replied that he would not.

We beg to assure you that this company has not sought, nor does it propose to seek, the abolishment of the Missouri insurance department, nor has it any bill before the Missouri legislature of any kind or nature affecting foreign insurance companies or imposing any restrictions upon the transaction of business in this State by those companies. In fact, the St. Louis Life Insurance Company has not nor does it propose to have, any bill before the Missouri legislature for legislation upon any matter whatsoever.

Very respectfully, S. W. LOMAX,
Secretary.

The John Hancock Mutual Life Insurance Co.

Since writing a notice to be found elsewhere in this issue, we have received a copy of the proceedings of the policy and stockholders' meeting. The directors of the company submitted the following as the financial condition of the company:

Policies in force Dec. 31, 1873...7,629, ins. \$16,925,343
Issued during the year 1874..... 726, " 1,282,441
Terminated in year 1874.....1,464, " 3,658,170
Policies in force Dec. 31, 1874...6,891, " 14,549,614

RECEIPTS DURING 1874.

Premiums.....\$667,728.26
Interest..... 171,913.52
Total..... \$839,641.78

The amount of premiums includes value of surrendered policies applied as premiums on paid up policies..... \$144,194.64
Disbursements during 1874..... 694,529.97
Excess of receipts over expenditures... 237,693.27
Total assets Dec. 31, 1874..... 2,646,828.03
Liability on policies in force Dec. 31, 1874..... 2,601,798.43
Excess of assets over liabilities of policies..... 45,029.60
Deduct losses adjusted but not due..... \$19,339.00
Amount due for rent..... 1,687.50
Premiums paid in advance..... 782.30

21,808.80
Leaving actual surplus of..... 23,220.80
Amount paid for annuities..... 1,772.00
" " losses by death and matured endowments during the years 1873 and 1874 upon 82 policies was..... 204,575.83
Losses under N. F. Law in 1874 were 13 policies insuring..... 29,000.00
Total losses paid under N. F. Law on 53 policies to Dec. 31, 1874..... 151,500.00
After this report was read, the committee

appointed to make an examination of the company submitted their report, after which there were many questions asked by policyholders and answered by the officers of the company.

The final conclusion reached was, that the John Hancock was in a solvent condition.

Fire Insurance in Michigan.

We have received from Mr. Samuel H. Row, Insurance Commissioner of Michigan, a statement of the fire business done in the State of Michigan during the year 1874, as reported to the Senate of that State.

The Michigan business shows as follows:

	Premiums rec'd.	Losses inc'd.	Losses p'd.
3 Home Co's.....	\$320,871	\$124,751	\$135,727
90 Co's. of'r St's...1,858,023		975,148	926,824
3 Can. Co's.....	68,738	62,361	22,254
10 Foreign Co's... 200,145		83,312	76,407
Co's. withdrawn.. 91,961		49,224	47,625

Thus it will be seen that the percentage of losses to premiums received, is about:

Home Companies.....	39
Companies of other States.....	52
Canadian Companies.....	90
Foreign Companies.....	40
Average all Companies.....	51

Ten Insurance Agents.

Ten Insurance Agents standing all in line,
One "reinsured" himself, leaving only nine—
Nine Insurance Agents trembling for their fate,
One "passed his dividend," leaving only eight—
Eight Insurance Agents went to lunch at 'leven,
One took too many "draughts," leaving only seven—
Seven Insurance Agents using words prolix,
One "showed his assets," leaving only six—
Six Insurance Agents trying to look alive,
One "had an accident," leaving only five—
Five Insurance Agents watching from their door,
One "caught a sight of Baggs," leaving only four—
Four Insurance Agents mad as mad could be,
One died of "registry," leaving only three—
Three Insurance Agents looking very blue,
One filled his "vacancies," leaving only two—
Two Insurance Agents standing all alone,
One "showed impairment," leaving only one—
One Insurance Agent felt his work was o'er,
Got into "The Chamber," leaving nary more!

—*Baltimore Underwriter.*

CHIPS.

—James Rhodes, Esq., New York Manager of the Life Association of America, has resigned his position.

—It is stated that Mr. Church will not be re-appointed Insurance Commissioner of Ohio, when his term of office expires.

—Oliver Pillsbury, Esq., will accept thanks for a report in full of the fifth session of the National Insurance Convention, held in the city of Detroit, in September, 1874.

—The *Insurance Reporter* of Philadelphia says that William Nelson, Jr., had a vessel insured for one month (port risk) in the Sun Mutual Life Insurance Co. of New York.

—Volume 2, nicely bound, of the *Insurance Journal*, of Hartford, has reached us, for which we are under obligations to the editor and publisher. The *Journal* ranks among the best now published.

—The total amount of taxes paid to the State by all companies doing business in Pennsylvania, not organized under the laws of that State, Fire, Life and Accident, during the year 1874, was \$291,914.00.

—The total fire business done in Illinois, in 1874, according to the *Herald's* chart, by 52 companies doing business in that State, was as follows :

Risks re-written.....	\$400,779,415
Premiums received	\$5,793,318
Losses incurred.....	\$4,081,392
Percentage of losses to premiums, about 70 pr. ct.	

—The Protection Life Insurance Co. of Chicago, in an editorial published in the *Advocate*, the organ of this company, asks the insurance press to agree with them that the Protection is a good thing. Well, we do, if it gives protection to the policy-holders.

—The New Jersey Fire and Marine Insurance Company, has been re-organized with the following new officers: J. T. Audenried, President; Wm. McGeorge, Jr., Vice-President; Geo. E. Wagner, Secretary; and Jonas Livermore, Treasurer. The present assets of the Company amounts to \$127,052.41.

—The tax on premiums in Massachusetts for 1874, was \$168,748.

—The Chicago agency of the Niagara Fire Insurance Company has been transferred to Davis & Requa.

—The Metropolitan Life Insurance Co., of New York, will please accept our thanks for a bound volume of the *Metropolitan*, a monthly published by their company.

—The largest insurance on the life of any person in New England is said to be on the life of Mr. C. G. Storrow, of Lawrence, Mass., who holds policies to the amount of \$650,000.

—It is stated that West Virginia will not pass any insurance laws this year, and the Philadelphia *Underwriter* gives as a reason : "Because the felines have claws, and can scratch more blood-money than the old-liners are willing to do."

—Mr. Geo. T. Cram, the efficient Secretary of the American Central Insurance Co. of St. Louis, has been promoted to the office of President, and the former General Agent has been elected Secretary of the company. The American Central has assets of \$685,000, and ranks among the *best*.

—The *Expositor* of Philadelphia says: It is rumored that W. D. Halfman, late President of the Central Fire Insurance Company, who was convicted of altering "raised" railroad stocks, has divulged certain matters connected with the Central, which will create a decided sensation, as they will involve the names of persons in high standing in the community.

—In our tabular statement of California fire and marine business given in the February number of the REVIEW, we gave "losses paid" which made the percentage of loss very small. We should have added another column giving losses incurred, which would have made quite a different showing as to some of the companies in the percentage of loss, as some of them had losses outstanding nearly equal to amount paid, while a large majority had none outstanding, and to the latter class the table does injustice as compared to the former.

—J. Rodney Gleeson, Esq., of Stockton, has been appointed general supervisor of agents and adjuster for the California Farmer's Mutual Fire Insurance Co. of this city.

—W. C. Prescott, Esq., has been appointed the English Manager of the Continental Life Insurance Company, of New York; office at No. 11 Poultry Street, London, E. C.

—The bill authorizing the superintendent of the insurance department of New York to remit all fees and charges to insurance companies, except those collected under reciprocal laws, has passed the senate.

—The local board recently organized in Covington, Ky., met on the 11th inst., and elected the following officers: Henry Bostwick, president; C. F. Fechter, treasurer; and William G. Stone, secretary.

—We acknowledge receipt of the *Herald's* new *Fire Chart* for 1875, showing the standing of 152 Fire and Marine Companies doing business in Ill.

This chart is the most complete arrangement of the figures we have ever seen, certainly the best chart published and should be in the office of every insurance company and agent in the United States.

—It always gives us pleasure to review the annual statement of the old and thoroughly reliable Mutual Benefit Life, of Newark, New Jersey. This corporation, with its \$27,734,062 of assets on the 1st of January, 1874, comes out on the 1st of January, 1875, with total assets of \$30,553,429. The business of this company for 1874, shows total receipts \$6,740,761, of which \$1,827,753, was for interest. Paid for death claims, \$1,921,839. Paid commissions, endowments, surrendered policies, taxes, advertising, medical fees, etc., \$1,301,654; paid return premiums to policy-holders, \$1,589,400; total expenditures, \$4,812,894; ratio of expenses, (excluding taxes) 8.49 per cent. The assets of this company are of a substantial character, and we have no hesitancy in saying that the Mutual Benefit is one of the best managed companies in the country.

—The notorious life insurance suit *Lee vs. The Guardian Mutual Life Insurance Co.* is now being tried in the U. S. District Court in this city; this being the sixth trial of this case.

—The *Chicago Times* says: "There is a building going up on La Salle Street, just opposite the Grand Pacific, which is ingeniously designed so as to catch fire and burn down, or up, on the slightest provocation. It is exactly within sight of Gen. Shaler and other fire commissioners, and it is probably owing to a constant view of this structure that the board regards Chicago as unsafe, and recommends several millions of dollars expenditure in order to prevent its destruction."

—At the annual meeting of the policy-holders of the John Hancock Mutual Life Insurance Co., held in Boston, February 8th, there was a warm discussion among the policy-holders and officers in reference to a deficiency in the premium note account of \$90,000, which it is alleged was caused by an error of the Secretary of the company. A committee of three was appointed to examine the affairs of the company, and report on the 22d of February, when there would be an election of officers.

—Superintendent G. W. Smith, of Kentucky, has examined the books of the St. Louis Life Insurance Co., and according to a report in the *St. Louis Globe*, considers the company in a solvent condition, and will admit them to do business in his State. In answer to the question, "has the St. Louis Life the proper surplus?" asked by the *Globe* reporter, Mr. Smith replied: "Oh, yes; and more; I could give you the exact figures, if the Missouri Department had completed their checking of the company's valuation of policies. I have been over the policy register, which, by the way, is very accurately kept, and examined into the premium loan account and real estate and bond schedules, and tested a vast number of individual policy valuations. If I had the Missouri Department's certificate of the valuation, I could tell you exactly how much surplus the company had."

—E. W. Carpenter, Esq., formerly the leading insurance agent of Montana, has been appointed special agent of the Fireman's Fund Insurance Company of this city. Mr. Carpenter is a gentleman of experience and ability in his profession and the Fireman's Fund could not have made a better selection for special duties.

Mr. C. for a long time represented several leading companies at Helena, Montana, among which was the Fireman's Fund.

—The *Spectator* Publishing Company of New York, will please accept our thanks for a copy of their excellent Fire Chart showing the standing of all New York State companies on the 1st of January, 1875, also the business of said companies for the year 1874. The totals as shown by this chart differs somewhat from the totals given by the *Insurance and Real Estate Journal's* chart, mention of which will be found in another column. Both these charts claim to have been compiled from "Official Reports," and we leave the matters of discrepancy for the *Spectator* Company and the *Insurance Journal* to settle.

—The Report of the Commissioner of Massachusetts shows that there are 54 Mutual Fire Insurance Companies in the State, with cash assets of \$4,903,508; 11 Mutual Marine and Fire Marine Companies, with a guarantee fund of \$2,050,000, and \$4,868,277 of gross assets; and 21 joint-stock insurance companies, with a cash capital of \$4,867,000. There are 112 American companies outside of Massachusetts, doing business in the State. The grand total of capital represented in the insurance business in Massachusetts is \$65,844,270, the larger portion being in companies outside of the State.

—We give in this issue the substance of the evidence in the case of H. S. Crocker *vs.* the Widow and Orphan Fund Life Insurance Co., tried in this city a few weeks since. Comment on the action of the jury in this case is unnecessary. It would seem from the evidence that any twelve men of ordinary intelligence, could have agreed upon a verdict, if they had considered only the evidence and discarded their prejudice against life companies. But we are told

that ten of these jurymen were in favor of giving a verdict for Mr. Crocker, on general principles, offering to the two more intelligent jurors, as excuse, that they each had known of cases where their friends had been swindled by life companies. One of them cited a case where a man had been insured in some company for THREE years, and when he died the company refused to pay his loss. But he forgot to mention that the policy on that same man had been forfeited by non-payment of premium, ten months before the man died.

—The insurance agency of Messrs. Potter, Jacobs and Easton, 318 California Street, represent the following-named companies, with their assets January 1st, 1875:

Westchester, New York.....	\$750,000
Traders, Chicago.....	750,000
Franklin, St. Louis.....	450,000
Citizens, Newark.....	400,000
Globe, Chicago.....	714,000

Total assets represented.....\$3,044,000

Notwithstanding the fact that neither of the five companies above-named are members of the National Board, the firm of Potter, Jacobs and Easton, very wisely chose to become members of and work harmoniously with our local Board in this city.

—The following report of fires for the year 1874, has been submitted to the board of fire commissioners:

FOR THE QUARTER ENDING MARCH 31.

Total number of fires.....	319
Estimated losses.....	\$350,091
Estimated insurances.....	\$2,770,549
Uninsured losses.....	16,600

FOR THE QUARTER ENDING JUNE 30.

Total number of fires.....	318
Estimated losses.....	\$296,870
Estimated insurances.....	\$1,500,000
Uninsured losses.....	39,875

FOR THE QUARTER ENDING SEPT. 30.

Total number of fires.....	377
Estimated losses.....	\$159,145
Estimated insurances.....	\$1,198,660
Uninsured losses.....	26,015

FOR THE QUARTER ENDING DEC. 31.

Total number of fires.....	360
Estimated losses.....	\$350,000
Estimated insurances.....	\$5,384,700
Uninsured losses.....	10,200

—The ninth annual statement of the New Jersey Mutual Life Insurance Company of Newark, New Jersey, is before us and is one that should give entire satisfaction to its policy-holders and the public generally.

The receipts for 1874 were \$307,953.60; the assets of the company now amount to \$1,684,044.32, while after the deduction of all liabilities, a surplus of \$477,391.32, is shown in favor of its policy-holders. The company is under most excellent management.

—Insurance Commissioner O. W. Chapman, of New York, deserves great credit for placing before the public his annual report at so early a date, and the question naturally arises, why is it all our commissioners do not adopt some plan by which the public can get information regarding the business of insurance and the standing of the companies, in a seasonable time? It has usually been the custom of commissioners to present their reports about the ninth month after the close of the year, which of course could be of no benefit to the public. In another column will be found some extracts from Mr. Chapman's report on the subject of moral hazard which may not prove uninteresting to our readers.

—We are under obligations to the publishers of the *Insurance and Real Estate Journal* of New York, for a copy of their Fire Insurance Chart for 1875, of all fire insurance companies of New York. This is a very valuable table for reference and should be in the hands of all the fire companies and agents.

From the Chart, we give the following totals: cash capital of all New York companies, \$26,307,020; gross assets on the 1st of January, 1875, \$55,907,017; with liabilities: re-insurance, New York standard, \$13,083,960. Total liabilities including re-insurance except capital \$14,844,255. The net fire premiums by the New York companies during 1874 were, \$23,659,096; marine premiums received, \$735,712, with a total income including interest, etc., \$24,811,397. Total losses incurred during the year 1874, \$9,615,268. Total fire losses paid, \$8,992,336; marine losses paid, \$579,104. Expen-

ses of management, \$8,638,439. Dividends paid on stock, \$3,256,197. Total disbursements, \$21,499,999. Total net surplus over all liabilities including re-insurance, capital and profit scrip, \$14,686,378. Total expenses of management to total income, 31.48. Total losses incurred to total premiums received, 31.37. Total expenses of management to total premiums received, 37.47.

—The Boston correspondent of the *New York World* says: "The legislature has decided to authorize all stock fire companies holding a charter prior to the general act of 1872, to increase their capital under certain conditions; also, to provide for a reduction of capital whenever the insurance commissioner finds 25 per cent. in capital is impaired." Allowing a company to reduce its capital is one of those farces which are the natural reaction from the tragedy of state supervision. It does not change a dollar of the liability of the company reducing; it does not reduce its risk or contingent liability, but is simply an acknowledgment that the business has been a losing one, and, in its results, permits dividends to the stockholders which would otherwise be impossible.

—Of the Faneuil Hall Ins. Co. of Boston, the *Daily Traveller* of that city says: Although the past year has brought heavy losses to many underwriters, it has been a profitable one to the Faneuil Hall Insurance Company, of this city. At the annual meeting of the company, recently held, a report was made by the directors, which shows a condition of affairs most satisfactory both to the stockholders and those who have insured in the company. This company has been two years in operation, with a capital of \$200,000, and its assets now amount to \$362,043.95—the surplus being \$162,043.95, and the increase during the year \$89,853.14. Among the directors of the company are some of the best known and most successful of the business men of Boston, and it has reliable agents in different parts of the country, does fire business only, and that on a general agency plan, under which the risks are small and well scattered, making

its business safe, and giving the best security to its patrons. An abstract of the annual report is given in another column, together with the names of directors and agents, and other information concerning the company.

—The February number of Stephen English's private letters, published in pamphlet form, has reached us. The "times" are so hard that, were it not for the regular monthly issue of these letters, the Chamber of Life Insurance would fall to pieces, the Board of Underwriters would be no more, and the insurance commissioners would all resign their positions. We hope, for the good of the cause, Stephen will continue to write and print his letters.

—The *Chronicle*, of New York, says: "It always gives us pleasure to chronicle evidences of the prosperity and renown of the National Board. Its fame has gone abroad through all the land, and even unto West Virginia. Sucking babes cry for its breasts, and the youthful wild-cat seeks to nestle with a contented purr at the fireside of General Agent Montgomery. Here is the application of the latest applicant, which hails, or will hail, when its application is filed, from West Virginia:

"T. H. MONTGUMERY, Esq.,

N. Y. City.

"RESPECTED SIR:—Mutch is sayed of W. Va. insurance. Among the No. that are being terable blackgorded is the ———, of This place. There is no such thing as an ——— co at this time. are about to file our Application for a chorter of that name, and are now discussing the proprity of gowing in to the Natianal board. I am instructed to coraspond with you as to what the probabel expence would be to connect with the N Board. Pleas let me here from you by return mail. We expect to do a general Agency buisness with at least \$150,000 payed in, and very prabel \$250,000.

"Yours, ———."

—The South Side Fire Insurance Co. of Pittsburg, Pa., has, we presume, concluded

to shut up shop, and to that end sends the following notice to their policy-holders:

Office South Side Fire Ins. Co.,

Pittsburgh, Feb. 11, 1875.

You are hereby notified to surrender your policy No. ——— to ———, which was issued to you on the ———, within ten days from the date of this notice, which will be cancelled pro rata for the unexpired term, as this Company is going to discontinue business; and if the said policy is not surrendered at the expiration of the above-mentioned time, this Company will not hold itself liable for any loss or damage by fire occurring to the property covered by any insured under said policy.

—The amount paid by 28 Life Companies for losses and endowments in the month of January was as follows:

Losses by death.....	\$1,532,374.17
Matured endowments.....	157,337.87
	<hr/> \$1,689,712.04

—At a meeting of the Executive Committee of the National Board of Fire Underwriters, held on the 29th of January, 1875, in Philadelphia, the following resolutions were adopted:

Resolved, That whenever the laws of any State are so modified as to impose a tax not exceeding two per cent. on the net premiums received in said State, after deducting losses actually paid in said State, such a tax to be in lieu of all other taxation, whether city, county or municipal; the additional rate of special charge imposed by the National Board to cover such taxes will be repealed by this Board.

Resolved, That in view of the excessive local taxes imposed upon insurance companies doing business in the city of Paducah, Kentucky, that an additional charge of three per cent. be made by board companies on all premiums on policies issued on risks in that city on and after February 1, 1875.

Resolved, That all fines imposed by this Committee on Local Agents and now held by Local Boards, and all which may hereafter be imposed, shall be paid into the National Board Treasury, through the respec-

tive Local Boards, and there kept as a separate fund, and that the officers of the Board be directed to recommend, at the next annual meeting, some proper disposition of such fund.

—We are informed that there are parties in Philadelphia issuing policies in twenty or thirty different companies that have not and cannot comply with the laws of the State; in fact, some of the companies for which they are writing are said to have long since passed away, while, judging from the character of the risks assumed, and the rates obtained, the others will be short-lived.

We append a sample of the statements issued, with the name and location of one of the companies:

UNITED FIRE ASSOCIATION OF SCHUYLKILL COUNTY.
OFFICE—MINERSVILLE, PENNSYLVANIA.

Assets—	
Judgments secured by real estate.....	\$143,750
Real estate owned by company.....	3,000
Cash in office and bank.....	1,500
Pledge notes.....	20,000
Office furniture and supplies.....	1,800
Total assets.....	\$170,050
Liabilities—	
None.	

H. C. BENSEMAN, Sec. RICHARD BRUCE, Pres.
Organized June, 1874. Commenced business,
July, 1874.

Was Mr. Commissioner Forster consulted in regard to the organization of this wildest of the feline species? Has he issued his certificate of authority for the concern to transact business? If not, and it is without the sanction of law, why does he not squelch it, and thus add another laurel to the brow of that immaculate institution—State supervision? *Baltimore Underwriter.*

—The *Insurance Monitor* says: “The Craftsmen’s Life Insurance Company, which was supposed to be quietly buried, covered at least two deep, by reinsurance and receiver, had a sudden and unsavory resurrection, last month, in the columns of the *Daily Times* of this city, wherein an extended and sensational publication was made, alleging irregularities on the part of Mr. Lambert, the company’s president, in first selling out the company to the ‘Hope,’ and second, receiving from the Hope a commission on the transfer of policies to that company and on

renewals. The matter came to light on account of a suit brought by Mr. Lambert against the New Jersey Mutual, which company has absorbed the Hope, for \$20,000, on account of commissions claimed to be due. Mr. Lambert makes a plausible explanation of the affair, but is weak in suing for that of which he acknowledges the company over which he formerly presided may be entitled to receive a portion. The entire transaction might be designated as a first-class muddle.”

—The Washington Life Insurance Co. of New York, presents their annual statement for the year ending December 31st, 1874, which is a very satisfactory one.

The assets on the 1st of January, 1874, amounted to \$3,604,256.

Premiums receipts, 1874.....	\$1,007,129
Interest receipts, “.....	230,410

Total receipts, “.....\$1,243,540

Total assets, January, 1875, \$4,850,796.

The Company paid for losses by death in 1874, \$305,656; dividends to policy-holders and surrendered policies, \$241,819; matured endowments, \$15,235. Total paid policy-holders, \$562,711. Interest to stockholders, \$9,604. The Company paid for taxes, commissions, advertising, printing, etc., \$193,910. Net assets, January 1st, 1875, \$4,084,569. The assets of the Washington are of a first-class character, over two millions being on bond and mortgage.

We will also mention that the gross assets amount to \$4,416,624, showing a surplus of \$634,557.

—The *Insurance Advocate* of Richmond says: The Northern life companies continue to withdraw from the South. In a few years, we presume that the whole territory recently re-constructed will become the ally of companies home-born and home-managed. Is there any very substantial reason why a Southern company should not be the peer of its rivals North or West? If there is, please forward it to the *Advocate*.

—The veteran chief of the Cincinnati fire department has been discharged for incompetency—his incompetency consisting in neglecting to answer certain very serious charges preferred against him.

MINING AND FINANCE.

The New Mexico and Arizona Copper Mines.

Before the rebellion, already the Santa Rita and Hanover mines were largely explored—an account of them appears in Prof. Raymond's reports. The war broke up this industry, but it has now been resumed in New Mexico and the adjacent portion of Arizona, and bids fair to assume very large proportions; indeed, when transportation facilities are improved, a business is likely to grow up in that region hardly inferior to that of Chili in copper produce, and of greater magnitude, and more profitable, than that of Lake Superior.

The mountains in which the veins and deposits of copper occur, lie north of the Gila river, and between its tributary streams, the Rio Francisco, Prieto and Bonito in Arizona, extending to near Silver City in New Mexico, and, although at a considerable altitude, they are easily accessible, well watered, timbered and even fertile. The distinguishing characteristics of the geology of the country referring to copper, are simply, that in whatever formation of rock found, the quantities occurring are vast and seemingly exhaustless, while the ores, at any depth thus far reached by the miner, are all of the rich, decomposed varieties. The nature of the copper ore in the veins appears the same on top of the mountain as in the gorge 1,000 feet below; the same a few feet below the outcrop as at the bottom of the shaft; richer by far, and in greater volume, than in the famous mines of Urmeneta, in Chili. Solid masses of red oxide, copper

glance and true carbonate, are the regular ores of the veins, as distinctly separate from the varied gangue rocks of clay, limestone, etc., as the most economical miner could wish, and lavished upon the mountains in truly gigantic proportions. Yellow pyrites are not found as yet, but in several places so much oxidized iron occurs with the glance, as to indicate there a transformation from pyritous minerals. The average yield of the ore dressed by hand is 35, 50 and 70 per cent. of copper; that of mines on Lake Superior but 2 to 7 per cent.; while, unlike sulphuret ores, these oxidized ores can be smelted almost as readily and cheaply as the concentrated native copper mineral of Lake Superior, which, in fact, does not average much higher in percentage of copper.

It is obvious that this great wealth of copper, the richest formation thus far discovered on this continent, must attract attention. But owing to the distance from railroads, and the greater difficulty than with precious metals, of marketing the products, no general influx of mining adventurers has taken place; but better than this, commercial enterprise has taken hold of some of the mining claims, working them with capital, skilled labor and good management.

Work has been resumed in the Santa Rita, and enlargement is contemplated. At other places in New Mexico, copper is now being mined and smelted, the San Jose and Chino mines yielding wonderfully rich ores, while prospectors have discovered other promising croppings and veins in the burrough mountains, and farther east, in the Organdy Mountains.

The great mines, however, are over the border in Arizona, within the net of the Gila streams, south of the Sierra Blanca and east of the Cordilleras de Gila, being situate politically in the White Mountain Indian Reservation. Croppings and deposits of carbonate in various places and directions invite and amply merit thorough geological prospecting; thus far, however, only the oro-hydrography of the region has been ascertained and reduced to accurate maps for the use of the Government, and not yet published. This labor, as well as many other difficult tasks, was performed by that splendid corps of explorers, Lieut. Wheeler's expedition. Two mines or veins have been sufficiently prospected and explored, and these alone demonstrate that we have here the wealth of the Chilean mines concentrated in a few miles.

The Longfellow mine, situated some ten miles West of the P. O. town of Clifton, is a curiosity in its way, and unlike anything thus far found in the copper formations. The length of the cropping stripped thus far, simply because it is all that appears on the surface, and satisfied all curiosity, is only 250 feet; the length of copper-bearing outcrops, in extension of this, however, is admitted to show thousands of feet, giving the idea of a great vein having given rise to them. The ore cropped out along the slope of a mountain and followed the turn of the mountain. The miners have labored hard to find the direction of the vein proper, if it be a vein, but without success: wherever they sunk or tunneled on the slope of the hill, 60, 80, 100 feet, and more, below the outcrop, and without any dead work, they broke out ore; penetrating seventy feet into the mountain, at a short distance below the outcrop, nothing but ore was found, and the place has thus necessarily been turned into an open quarry, and engineering operations adjourned to ten years hence. The thing resembles a large iron ore bank, and indeed, iron and clay occur with the copper ore, and such ore! Some seventy-five tons of it, undressed, were shipped to Baltimore, and yielded 35 per cent. of copper. Since then, most of the ore with gangue, is thrown

aside and only the copper glance and red oxide transported to the smelting works at Clifton, where the Mexican blast furnaces at first used—worked by hand bellows—have given way to reverberating furnaces, run by Welch smelters from Baltimore, who have built a stack 120 feet high and make their own brick. A good water-power furnished by the Rio Fresco, drives, crushes, etc., and may finally be used for pressure blast engines should half high furnaces be hereafter erected for quick work. Wood being plenty, of great pyrometric value (mesquit) and only limited business contemplated at present, the reverberatory furnaces are now the most convenient. The stock of ore in dumps ready for smelting, or in course of transportation by huge wagons from the mine to Clifton, is 1,600 tons, out of which it is reckoned to produce 1,500,000 pounds of pig copper. The mining, or rather quarrying, goes so much ahead of the capacity of smelting and transportation, that a pause had to be made, and now it is likely that the miners will have a mind and leisure to push investigation into the lay and dip and bearing of their ore deposits, and to prospect the continuations of it.

The pig copper produced in the crude way was shipped to Baltimore—some 200,000 pounds—and being refined, these proved soft and good in quality, as did also that from the New Mexico mines. This is due to the fact that neither antimony, arsenic, nickel or tin occur with the ores of the region.

While this mountain of ore should prepare us for surprises in that locality, it is totally eclipsed by the "*Coronado*" mines, some three miles west of the Longfellow, and discovered by the party working the latter. The discovery had been kept secret until the land had been cut off from the Indian Reservation by the President of the United States, and restored to the public domain; this fact being advised by telegraph and swift expresses, a relocation was made by the discoverer, thus securing a virgin title that can never be disturbed.

Here we have a true vein, in a limestone and granite formation, cutting mountains

and gorges 9,000 feet long as the crow flies, and probably much longer, as a mountain of green carbonates, some miles beyond, seems to lie in the same direction. Gay colored croppings of carbonate plainly define and picture out the course of the vein. Six different names had to be given to the successive locations, viz: "Boulder," "Horseshoe," "Coronado," "Copper Crown," "Crown Reef," "Matilda." The width of croppings varies, averaging 30 feet, widest 135 feet, and narrowest 2 feet at the commencement, which is in Twin Cañon. The vein runs along both sides of the cañon, plainly visible here, of solid red oxide; then ascends the mountain on both sides, one of them rising 1,000 feet perpendicular, trial pits showing copper glance in limestone and other ores of copper along the whole course of the vein for over 13,000 feet superficial.

The main work has been done on the "Horseshoe," where the croppings are wide, specimens from the whole width of which, carbonates, assayed over 50 per cent. An adit was cut 15 feet below the outcrop, the bottom of which was found to be of solid copper glance for over 20 feet into the vein, being as far as the work was carried up to the time of my envoy's departure. Curiosity prompted him to turn the adit into a wide open cut, and he found that the smaller veins cropping out had at the depth of 15 feet already run together in one vein, and to all appearances this may continue for the whole width of 135 feet. This show is enormous, almost incredible, but there it now lies bare, ready for anybody's inspection. Enough has been done to show a gigantic ore course, bared in the cañon, at 1,000 feet below the highest point, and the same ore shows everywhere. The general course of the vein is northerly, but it varies much from a straight line, and at one point is covered for 600 feet by a landslide.

It is intended to proceed at once with mining and road-making, the natural outlet being at the Gila, below the mouth of the Fresco, where smelting furnaces and water-works can be built, wood and clay being plenty.

The only great drawback of the mines, at

present, is the distance of the location from railroad transportation. The projected line of the Southern Pacific Railroad runs within a few miles of the mines; that railroad built, ore could simply be shipped to a Texas port, and thence to Baltimore and Europe.

Thus far, the cost of mining and smelting has been five cents per pound of copper, and the transportation to Baltimore six cents per pound. The distances are: From Clifton to Silver City, 120 miles; Silver City to Las Cruces, 115 miles; from there to terminus of railroad in Colorado, 650 miles. This distance will be shortened as the railroad progresses toward Santa Fe. All these are mail routes, but the merchandize is transported during eight months of the year by ox and mule transportation, which take copper as return freight at four to five cents, and extra at six cents per pound. The Coronado Company, however, contemplate running a train sufficient to carry 2,000,000 pounds of copper to market.—*Engineering and Mining Journal*.

[From the *Mining Review*.]

"Sulphurets."

BY ERNEST LE NEVE FOSTER.

The term "Sulphurets" has been, and is still, most erroneously applied by the miners and others in Colorado, who ought to be better informed, to the light, decomposed silver-bearing ores occurring at or near the surface in almost all lodes in the district, and which, generally speaking, carry a very high percentage of the precious metal.

Sulphurets are in reality not the light ores occurring near the surface, but they are the heavy ores found at greater depths, and which are here known either as galena or heavy ore.

The true definition of a sulphuret is a combination of sulphur with one or more metals, and is the same chemical compound as a sulphide.

If the light surface ores of this district are taken and analyzed, they will be found to contain little or no sulphur, and that they are principally oxides, sub-oxides, carbonates, and some sulphates, and that they have

been formed from the decomposition of the heavy ores, either from the percolation of water through the vein, or from other causes. It is often the case that in this class of ore, small, bright, often acicular crystals, transparent or translucent, are found. These are the minerals Cerusite (carbonate of lead) and Anglesite (sulphate of lead.) The occurrence of blue and green stains are so frequent that they will have been noticed by nearly everybody. These are nothing else than blue and green carbonates of copper, formed by the decomposition of some of the heavy ores which contain copper in some other form in their composition. The red color so often met with, I believe, generally speaking, is given by oxide of iron, and I think that for the most part, this class of ore will not be found to carry nearly so high a percentage of silver as that of a darker hue.

The right name for this class of ore should therefore, most decidedly, not be "sulphurets," for we cannot bring this class of ore under the definition of "sulphuret," since it contains little or no sulphur in its composition, and such as it does contain is probably present in the form of a sulphate, but it ought to be called either oxidized or decomposed ore, and probably the most simple way of designating it, so that it might easily be distinguished from the heavy ore, would be to call it surface ore; for though in some veins this decomposition has been carried to very great depths, and there are numerous cases where this class of ore has been taken out from depths exceeding one hundred and fifty feet, whilst in other veins the decomposition is only for a very few feet; still we may expect that in all veins that the ore will change to heavy ore at some depth, the light ore being only a result of decomposition.

The true sulphurets found in this district are those ores which are perhaps better known as the heavy, solid, or lead ores, and consists of such minerals as Galena, Zinc Blende, Copper and Iron Pyrites, Silver Glance, Ruby Silver, Brittle Silver or Stephanite, and Fahlerz or Gray Copper. The first five of these minerals are what may be termed true sulphurets, being combinations

of one or more metals with sulphur only.

The last three are minerals which, although sulphurets, would more correctly be called sulph-arsenites or antimonites, since they are compounds of various metals with sulphur and arsenic or sulphur and antimony.

Bank Depositors and their Risks.

The recent wonderful stock excitement, and the sudden collapse, resulting as it has in great loss to hundreds of dealers who have been sold out, and in a shrinkage in values of many millions of dollars to the present holders, has again created some uneasiness among a certain class of our people as to the security of deposits in our joint-stock banks. The temptation to speculate in stocks is very great, and it is a well-known fact that some of them indirectly, if not directly, do speculate in them, while nearly or quite all of them loan their funds quite largely to the dealers, and accept their stocks as collateral. In fact, this class of customers are more generally accommodated at some of our banks than any other class, for the reason that they generally pay a higher rate of interest for the use of money than other classes can afford to pay.

This fact leads to the inquiry: are not such loans insecure? That it is, or has been profitable, no one can doubt, as the large dividends paid by the most of them conclusively proves that they have made their money earn a high rate of interest. But is not a high rate of interest rather a proof of insecurity than otherwise? At all events, private capitalists are slow in loaning their funds to stock speculators, preferring, in most cases, to loan on real estate or other good security, at a less rate of interest, and leaving to the banks the exclusive privilege of such investments. Some of our financiers contend that, as the practice of loaning money upon stocks is hazardous, the banks, if they are allowed to do so, should be compelled to lay aside a larger share of the profits as a *reserve*, instead of being allowed to divide them up as dividends. We fully admit the value of a powerful reserve, but we cannot conceal from our mind that the *mode* in which these reserves are usually created

fosters some very dangerous delusions. They are only the accumulations of certain sums held back from distribution, and reserved to the resources of the bank, rather than divided among the shareholders.

To add to the reserve is, in other words, practically to augment the capital, for it must not be forgotten that the reserves are utilized; they are lent out on some security or other, in order that they may fructify. They do not lie idle. They are, indeed, in themselves, the most profitable of all resources, for they bear no interest, as they are not the property of depositors, and they are liable to no charge for dividends, for they are not share capital. These reserves bear their part in earning profits, but they have no share of the credit of doing so. By the prevailing system, the dividends are appreciably increased by them. They would be *actually* less if the employment of the reserves did not bring profit; they would be *apparently* less if the reserve funds absorbed for their own accumulation, or otherwise, their actual earnings. Perhaps the most serious delusion which is fostered about these funds, is that they are the stay of the banks in times of panic. They are nothing of the kind. The *dépôts* are the backbone and mainstay, and the security of a bank lies in the judgment which it has exercised in their investment, so that when moments of distrust and panics arise, its funds are not locked up in inconvertible and worthless securities. Imagine the Bank of California having to rely in such a crisis on its reserve fund, which is little more than half a million dollars. The whole amount would, under high pressure, vanish in an hour. The reserve funds, so-called, are not reserves against such a contingency; they are in banking economy as the fly-wheel is to the steam engine. They equalize dividends, for they provide a fund on which to fall back, when, owing to any causes, unusual losses have taken place. They are reserves against accidents of this kind, and no prudent banker will allow himself to be weak in this respect.

Primarily, the dissatisfaction which forms the subject of our remarks, is felt and ex-

pressed by depositors who are opposed to stock-gambling, and who, in consideration of the smallness of the fixed interest which they agree to accept, are supposed to obtain unusual security for their principal.

But does the prevailing system really secure them the safety for the sake of which they sacrifice the chance of the larger profits of the shareholders? In other words, is the soundness of the system such as to remove all apprehension of danger? It has certainly worked well up to the present time in some aspects of its operations, but certain developments, which were not anticipated when modern banking was inaugurated, now force upon us serious considerations. It cannot fail to strike reflective minds that the security is not quite so *real* as it is *apparent*. Now, what are the relations between depositors and banks? The former lend to the latter the funds for which they have not any immediate investment. They have not the time, the experience, the special knowledge, or the judgment to trade with those funds themselves; they offer the money to a banker who, since he has to pay a certain rate of interest for it, must immediately use it in trade, and does so use it accordingly, and thus becomes not only a borrower, but a trader on borrowed capital. It is by this borrowed money that he makes the greater part of his profits, for his own capital is comparatively small, and proportionately inefficient.

Now every prudent man, of any experience in commercial affairs, condemns this as a vicious practice, though many who denounce it are unable to find a way of escape from its bondage, its obligations, and its embarrassments. But it is marvellous how little this fact is recognized, and how seldom the leaders of public opinion dare to represent it in its naked truthfulness. The prevailing idea, indeed, is that a banker *employs* his clients' money *but does not borrow it*; and they who know better are content to disguise this ugly feature under a pleasant euphony. We cannot fathom the casuistry that would attempt to persuade us that a banker who borrows the depositors' money, pays interest on it and trades with

it, is not really a *borrower* but a *trustee*. In point of fact, he is practically both, and what is more, he borrows the trust funds for the purposes of his own trade, though as both are consenting parties, it cannot be held that there is any moral turpitude or breach of trust in the transaction. These are, however, the essential characteristics of the relations in question, and it is impossible to believe that they are either sound or safe. The dangers and vices of this practice are as patent in this as in every other example. We may be told, on the other hand, that it is folly to impeach a system that has worked so well for many years, and that the success which has attended it, is evidence of its soundness and adaptation to the wants of modern commerce. But how has it worked so well? In the first place, it is but comparatively young in its present development, and many a vicious system passes through the early stages of its existence without developing all its inherent faults and weaknesses.

It is, in the second place, entirely owing to the rare skill and prudence of bank managers that they have generally contrived hitherto to work out good results, to obtain high returns, and to gain a wide-spread confidence; but the pressure and temptations to which they have lately been exposed have been terrible, and along with the growth of their own institutions, they have fostered in every direction, and throughout all branches of commercial enterprise, the dangerous custom of trading on borrowed capital. This practice is the bane of our commerce, and has already undermined its stability, and scattered its legitimate profits to the four winds of heaven. It is also the bane of our banking system, as we are now about to discover, and the early signs of this unwelcome truth are beginning to show themselves. A calm and dispassionate retrospective survey of the situation brings us irresistibly to this conclusion, that the prudent management of the banks has been the only guarantee to stockholders for their large dividends, and to depositors for the security of their funds. On such a slender thread, what vital interests have been suspended!

This is the keystone of the delicate structure of American credit and commerce! Unhappily there is no solidity in the foundation, unless it be a safe principle to trade on borrowed money, and this is a maxim that will not pass current in this country.

But the misfortune is, that this keystone is now made to submit to influences which must inevitably establish a process of rapid disintegration. Our bank managers have been prudent hitherto, but they can be equally prudent no longer, under the exigencies of the prevailing rule of action. Our own columns, and the columns of every other financial paper, have shown that for a long time the rates for discount in the open market have been steadily below the Bank minimum. First-class bills are now taken often one per cent. below the Bank rate. But the huge deposits of our joint-stock banks cannot all find employment in the discount of such bills, and if they did, the margin of difference between the price paid for the deposits and the price obtained by discounting, would be too small to allow of the aggregate profits out of which the high dividends have been paid. But money must be employed somewhere, for the interest on it accumulates day by day, and it is therefore imperatively necessary to trade in second, and perhaps third-class paper—with what a terrible increase of risk, let both shareholders and depositors pause to consider.

—The Wetherell mine, situated in Hutch's canyon, in the White mountain range, in the extreme Western portion of Esmeralda county, Nevada, has recently been sold to a San Francisco company. The exact amount paid for the property is not known, but it is said to be about \$65,000. The sale includes the mine, mill, wood-ranch, mill site, water privileges, pack animals, and all the paraphernalia belonging to the mine and reduction works.

—Mr. Bulger, engineer of the United States Mint in this city, has recovered from the injury he sustained by a piece of iron falling on his foot recently, and is now at his post again. He has been confined to his room for nearly two months.

Editorial Notes and Financial Items.

—The Real Estate Associates have declared a stock dividend of $1\frac{1}{2}$ shares, for the benefit of the present stockholders, upon the payment of \$33.33 by the 10th of March. The nominal capital of the incorporation is \$1,000,000, but only \$400,000 has been issued and paid up. There is now a surplus equal to the paid up capital, and upon the payment of an additional \$200,000, this surplus will be capitalized, and thus the paid up capital will be increased to \$1,000,000, all paid up in this way.

—The quicksilver product of California last year, is reported by the *Commercial Herald* at 28,200 flasks, which is slightly under the average for the previous five years. The quantity was from the following sources:

New Almaden, flasks.....	9,000
New Idria.....	7,000
Redington mines.....	7,200
Pope Valley (Napa county) and Vallejo.....	1,900
Great Western.....	1,500
Napa, Lake and Sonoma counties.....	1,600
Total.....	28,200

Recently sales have been made as low as \$1.40@ \$1.45, with $2\frac{1}{2}$ per cent. off for large lots. The prospects are good for an increased yield during the current year.

—The past has been quite a lively month in real estate affairs in this city, and several unusually large transactions have been recorded, one involving a recorded value of \$450,000, and two others upwards of \$300,000 each. One of the last named was effected during the past week, but will not go on record for several days. A sale to the value of \$75,000 was closed yesterday, but the particulars are not at our disposal. The temporary closeness of money has affected this business during the past week or two, as well as all other transactions where money is required. The fancy values which are now beginning to be quite generally asked, will, if persisted in, greatly curtail the volume of business in this line during the ensuing month. Those who have long waited to dispose of their property will do well,

now that buyers have come up to their views, to avoid killing "the goose that lays the golden egg."

—Following is a statement of the receipts and disbursements of the United States Assistant Treasurer in this city for January:

RECEIPTS.

Customs.....	\$532,020 31
Internal Revenue Tax.....	313,018 70
Internal Revenue Stamps.....	10,240 00
Sales of land.....	50,780 66
Patent fees.....	590 00
Post-office department.....	48,457 91
Disbursing officers.....	1,336,393 01
Various sources.....	81,513 29
Total receipts.....	\$2,380,013 88

DISBURSEMENTS.

Treasury drafts.....	\$870,468 12
Post-office department drafts.....	9,324 23
Public Debt.....	6,906 00
Disbursing officers' checks.....	1,092,091 72
Transfers.....	507,499 87
Total disbursements.....	\$2,486,289 94

—The bill recently passed by the German Diet, for a German Imperial Bank, has not yet been received. The recommendations of the commission appointed to draft the plan have been made public, but it is not certain whether they were adopted in the form presented. The total of the uncovered notes to be issued by all the banks in Germany was fixed by the commission at 385,000,000 marks, each bank to interchange notes with all others. The one per cent. tax on the gross amount was abandoned, and a five per cent. tax was proposed on all issues over that sum. This will effectually prevent undue inflation; and it is pity that something of the same character had not long ago been adopted in the United States. A noteworthy clause in the report of the commission is as follows: "The Bank of the German Empire shall be obliged to exchange its notes for ingots, at the price of 1,392 marks for 1 lb of gold, and shall be entitled to cause such ingots to be assayed at the expense of the parties offering them." Under the new currency laws of the country, a pound of gold is coined into 1,395 marks, which makes a difference of 3-1395ths mark between the currency standard and the price fixed for ingots. It will be remember-

ed that there is a similiar provision in the English Bank Act, which provides for the purchase of gold at £3 17s 9d per ounce, or 1½d below the currency value. This is more favorable to importers than the standard proposed by the German Commission, and it is possible that this feature was modified in the passage of the bill.

—Money is in active demand, and the bank reserve are less formidable. Commercial paper continues to be discounted at 1@1½ per cent. for the best signatures. The Savings Banks are putting out money at 8@10 per cent. for bulk of loans. The demand for remittance to New York has been so heavy as to necessitate the inauguration of cautionary measures, and the banks have declined to sell telegraphic transfers, though the nominal rate for them is still 1 per cent. Coin drafts on Atlantic cities are drawn at one-half of one per cent. Currency drafts, 13½ per cent. premium on gold; exchange on London, 49d for 60-day bankers' bills and 49½d for commercial bills; gold bars, 890@900; silver bars, 3¼@3½ per cent. discount; Mexican dollars, ¾ per cent. discount; trade dollars, ¼ per cent. discount; silver coin, 1@1½ per cent. discount.

—The export trade of New York for 1874 amounted to \$332,375,400. This includes over \$62,000,000 in coin and specie, as follows:

Gold bullion shipped.....	\$8,872,400
Gold coin shipped.....	34,438,500
Silver bullion shipped.....	17,760,700
Silver coin shipped.....	1,480,700

Total.....\$62,552,300

The amount of Gold coin shipped was unusually large, and quite up to the production of the Mints last year. The next heaviest items were \$81,000,000 for Bread and Breadstuffs, \$59,000,000 for Provisions, \$37,500,000 for Cotton and Cotton manufactures, \$22,764,000 for Oils, and \$17,250,000 for Tobacco and Snuff. These six classifications foot up about \$28,000,000, leaving \$52,000,000 to cover all other descriptions of exports.

—The coinage at the San Francisco Mint for January for a series of years compares as follows:

1863.....	\$36,000	1870.....	\$1,660,000
1864.....	617,500	1871.....	1,570,000
1865.....	1,498,200	1872.....	810,000
1866.....	315,000	1873.....	900,000
1867.....	124,000	1874.....	1,994,000
1868.....	97,000	1875.....	2,355,000
1869.....	467,000		

January is usually a broken month at the Mint, though last month full time was made in the new building, and hence the large amount coined.

—The duties collected on imports at the San Francisco Custom-house for January during the past decade compare as follows:

1866.....	\$395,400	1871.....	\$343,200
1867.....	456,300	1872.....	497,000
1868.....	593,200	1873.....	544,000
1869.....	533,000	1874.....	569,900
1870.....	491,400	1875.....	524,600

The amount last month was slightly under the average for the year, owing to light withdrawals from bonded warehouse, incident to a dull condition of trade.

—Dividends have been paid during the current month by the following local incorporations:

Name.	Rate.	Amount.
Bank of San Francisco.....	1 ¢ cent.....	\$2,000
First National Gold Bank.....	1 ¢ cent.....	15,000
Merchants' Exchange Bank.....	1 ¢ cent.....	20,000
Nat. Gold Bank and Trust Co.....	1¼ ¢ cent.....	12,500
San Francisco Gaslight Co.....	½ ¢ cent.....	50,000
Spring Valley Water Company.....	¾ ¢ cent.....	60,000
Commercial Insurance Co.....	1½ ¢ cent.....	3,000
State Investment Ins. Co.....	1½ ¢ cent.....	3,000
California Theatre Company.....	1½ ¢ cent.....	2,500
Eastport Coos Bay Coal Co.....	1 ¢ cent.....	2,500
Giant Powder Company.....	1½ ¢ cent.....	9,000
North Beach Railroad Co.....	1½ ¢ cent.....	5,000
Pioneer Land and Loan Ass'n.....	1 ¢ cent.....	1,100
Real Estate Associates.....	1 ¢ cent.....	3,774
Black Bear Quartz Mining Co.....	50c ¢ share	15,000
Consolidated Virginia Min. Co.....	\$3 ¢ share	324,000
Eureka Consolidated Min. Co.....	50c ¢ share	25,000
G. Western Quicksilver M. Co.....	50c ¢ share	25,000
Redington Quicksilver M. Co.....	\$30 ¢ share	37,800
Rye Patch Consolidated.....	25c ¢ share	7,500

Total.....\$623,784

The most noteworthy feature in the above list is the omission of certain large dividends that have been paid with great regularity for some time. The Bank of California is left out for the first time in many years. It is

known that the dividends of this incorporation are to be paid semi-annually hereafter. The dropping out of the Belcher and Crown Point dividends this month affects the gross amount very materially. This is the second dividend of the Bank of San Francisco and the third of the Real Estate Associates. A summary of the dividends for the month compare as follows:

February.	1874.	1875.
Banks.....	\$87,500	\$49,500
Gas and Water Companies.....	90,000	110,000
Insurance Companies.....	131,000	6,000
Street Railroad Companies.....	5,000	5,000
Mining Companies.....	855,100	434,300
Miscellaneous Companies.....	65,160	18,934
Totals.....	\$1,233,760.	\$323,734

The insurance dividends for February, 1874, embraced \$125,000 by the Merchants' Marine, being a distribution of 25 per cent. of their capital. The mining dividends for the same month embraced \$820,000 by the Belcher and Crown Point mines.

—The imports and exports at this port for a period of years, have been as follows:

	Imports.	Duties.	Exports.
1865.....	\$10,333,800	\$6,604,400	\$8,395,000
1866.....	13,941,100	7,189,700	11,565,700
1867.....	14,949,900	7,622,000	15,737,400
1868.....	15,130,200	8,560,400	14,246,400
1869.....	15,582,000	8,340,300	15,234,000
1870.....	12,955,200	7,739,200	13,480,800
1871.....	17,542,800	7,389,300	10,137,900
1872.....	25,528,500	8,184,500	18,134,800
1873.....	17,328,600	7,883,500	27,628,900
1874.....	16,380,900	7,976,900	23,735,000
Totals.....	\$154,673,100	\$77,490,200	\$158,295,600

Mining Notes.

[From the *Scientific Press*.]

—About 75 miners for Stickeen left Victoria by the "California" week before last for the mines.

—The North Bloomfield gravel mining company in Nevada county, has been at work for four years and has not yet fairly commenced washing. The total expenditures on the claim have been \$1,979,760. The tunnel, which is nearly 8,000 feet long, consumed \$498,000 of this amount, and \$1,031,000 has been spent for ditches, reservoirs, water rights, etc.

—In the Ophir, the opening of the new incline station will soon enable the development and extraction of the rich bodies of ore lying below the 1465-foot level. The southeastern cross-cut on the 1700-foot level is in a very favorable ore formation, showing a steady improvement as the work advances.

—Advices from Castle Dome, Arizona, say H. W. Kearsing has succeeded in making a fine run at the smelting works there, and has demonstrated beyond doubt the feasibility of reducing those refractory ores without shipment to San Francisco, as formerly.

—The San Diego *Union* reports that all the mines in the Julian and Banner districts are looking well, and that the quantity and quality of the ore is steadily increasing. Work is going forward with greater activity than ever before.

—The Quincy *National* says: "Many of our hydraulic miners depend almost entirely on the snow water, and unless the weather changes soon, and the streams hold out much longer in the spring than usual, the water season will be unusually short.

—The inventor of the McGlew furnace must feel happy over the success of this invention in Peavine District, Nevada. Peavine ores have been difficult to work, but the McGlew furnace has demonstrated the fact that they can be worked with profit.

—The bevel-scroll, or ship timber saw, which the Ship-building Association of Valjejo has ordered by telegraph from the East, will be the only one of the kind on the Pacific Coast, excepting at the Navy Yard. It is a most valuable invention, and will do the work of over twenty men.

—During the past year, 81,397 tons of coal were shipped from Nanaimo, 51,197 of which went from the Vancouver coal company's mine, and 30,200 tons from the Wellington mine.

—The timbers used at the Petaluma mines Eureka, are from the Ruby range of mountains, and are said to be superior to the Sierra Nevada growth of pine, being more tough and less brittle.

—The La Grange Ditch and Hydraulic Mining Company, says the *Modesto Herald*, located at La Grange, Stanislaus County, has at last got to paying handsome dividends. This company was organized four years ago, and is composed of San Francisco capitalists. Its invested capital is \$600,000, and it disburses about \$9,000 per month in the way of expenses. It works a force of 90 men, and operates over an area of 500 acres. It owns the most extensive, expensive, and substantial ditch in the county, being 17 miles in length, and costing \$500 per rod.

—In the California mine, the face of the east cross-cut, on the 1400-foot level, is in ore of the richest possible character, proving beyond a doubt, the extension of the ore body, from the 1500-foot level up to and above the 1400. This is a development of great importance, as it establishes the unbroken continuation of the great ore body from the 1400-foot level down to the 1550-ft. level, where the quality of the ore is unsurpassed in richness, and its breadth and extent as yet literally unknown.

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FRANCIS MACKIN, Vice-President. ANDREW A. SMALLEY, President.

WILLIAM R. FREEMAN, Secretary.

References in San Francisco:

F. F. LOW, Esq., Manager Anglo-Californian Bank.
J. A. DONOHUE, Esq., of Donohoe, Kelly & Co., Bankers.

Extract from a letter written by Messrs. Eugene Kelly & Co., Bankers, N. Y., to Messrs. Donohoe, Kelly & Co., Bankers, San Francisco:

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